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Ontario. Legislative Assembly



Government  
Publications

# Legislature of Ontario Debates

SUPPLY COMMITTEE—1

ESTIMATES, MINISTRY OF  
GOVERNMENT SERVICES

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Tuesday, May 11, 1976

Evening Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

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TUESDAY, MAY 11, 1976

The committee met at 8 p.m. in committee room No. 1.

#### ESTIMATES, MINISTRY OF GOVERNMENT SERVICES (continued)

On vote 801:

**Mr. Chairman:** We have a quorum. As recommended by the committee at the last meeting, we decided to ask Mr. Henderson and Mr. Brunelle to be here to answer questions for the committee. I would like to begin tonight by asking for a statement from both of the ministers, and after that time any member of the committee or any member of the Legislature may ask questions of them: I will ask Mr. Henderson first and then Mr. Brunelle.

**Hon. Mr. Henderson:** Thank you, Mr. Chairman. Hon. minister and members of the committee and audience, as you mentioned, Mr. Chairman, I am here tonight as a result of the letter from Mr. Andy Richardson, clerk of the committee. Following his letter, I have prepared a statement and I would ask the clerk if he would like to distribute that statement to anyone who is interested.

There have been some questions from my colleagues about my role and functions as a Minister without Portfolio. I may say, Mr. Chairman, that the office of a Minister without Portfolio is well recognized in the parliamentary system of government. For many years there have been ministers without portfolio in the government of Canada, in Britain, in Ontario, and other provinces and jurisdictions. In Britain they are sometimes called non-departmental ministers. In some of the other places they are sometimes referred to as Minister of the State but the function and need for this type of minister is well established.

In Ontario, the first recorded appointment of such a minister was in the government of Sir Oliver Mowat in 1890. In the most recent Liberal administration in Ontario, the number

of ministers without portfolio increased from one in 1936 to three in 1943. The book entitled "The Government of Canada" by R. M. Dawson, published by the University of Toronto Press states:

A third small group which has fluctuated in size is made up of ministers without portfolio, who are in the cabinet but have no department to administer. [The book goes on to say:] His presence in the cabinet may provide desired provincial or sectional representation and he may be available for special ministerial duties whenever needed.

The book entitled "Government and Parliament or the British Parliament" by Herbert Morrison—

**Mr. Bullbrook:** That's on the British Parliament.

**Hon. Mr. Henderson:** —published by the Oxford University Press states:

The non-departmental ministers, not being immersed in day-to-day departmental duties, are in a position to give time and study to things to come. They should be free of those biases which may quite understandably influence the minds of the departmental ministers. They can therefore make a contribution to cabinet thinking which fills a gap that otherwise might exist. The presence of a suitable number of non-departmental ministers in the cabinet is a real advantage.

In regard to my specific responsibilities as a member of the cabinet, I attend each meeting of the cabinet and participate in the full discussions of all government policy issues and legislation that take place during most of each Wednesday.

I am also a full member of the resources development committee of cabinet, which meets each Thursday. This committee deals in greater detail with policies and legislation and resources field. In preparation for cabinet, this committee is responsible for extensive co-ordination of issues among the ministries and requires the most careful attention and detail to ensure that every possible implication of new policy is recognized and con-



sidered. Different ministers are expected and encouraged to bring different points of view to bear on these issues.

I am also a member, with the House leader, of the legislative planning committee, which meets every Monday morning. Following this, I work with other members and other ministers to co-ordinate the processing of government legislation and liaise with government members to ensure the speedy and orderly introduction of legislation into the House.

I should point out that in providing this information on my cabinet and cabinet committee responsibilities, I am providing more information than does the federal government. In its case, the makeup of cabinet committees is treated as confidential.

Regarding the work of cabinet and cabinet committees, it is necessary to review beforehand each policy paper and each proposal for legislation so that I may be prepared to make proposals for such changes and improvements. I endeavour to bring to bear on cabinet deliberations my views and convictions gained from my many years of experience in dealing with the problems of the people at the local level. These duties alone would constitute a full-time job.

In addition, I consult regularly with members of cabinet and with government members on many specific issues as they arise. Since my appointment to cabinet, my correspondence from members of the public has run some 75 letters every week on cabinet-related business. This does not include my riding correspondence as a private member. Every letter I receive is answered—not just acknowledged, but answered. This requires the dedicated assistance of my staff members on whom I depend very heavily.

Finally, my job has included representing the government and various ministers in meetings and discussions with various public groups. Examples of these would be the Ontario Municipal Association and the Association of Rural Municipalities. I also receive delegations on behalf of other ministers when they are tied up in the Legislature or on other government business.

In addition, I may be given other special assignments by the Premier (Mr. Davis) as issues or problems arise. I estimate that I spend at least 40 hours per week on cabinet business alone, over and above the heavy responsibilities which we all bear as private members.

**Mr. Chairman:** Thank you, Mr. Henderson. Mr. Brunelle, do you wish to make a brief statement?

**Hon. Mr. Brunelle:** Thank you, Mr. Chairman and members of the committee. My duties as Minister without Portfolio can be put into four main responsibilities. First is Chairman of Cabinet; second, co-ordinator of native affairs; third, as a representative in cabinet of the francophone population in Ontario, and fourth, as a member of cabinet on justice.

In the first item as Chairman of Cabinet, I chair all cabinet meetings and arrange for items to be placed on the agenda. I also sign all orders in council and regulations that are passed by cabinet, and these are then forwarded on to Her Honour. I also handle appeals to cabinet. These are appeals by decisions to the Ontario Municipal Board. These come to my attention and I, in turn, send them over to the various ministries concerned before they come to cabinet.

In my work as co-ordinator of native affairs, I'm responsible for the overall co-ordination of policy development in relation to native affairs and for co-ordinating communications between the government and native organizations.

Perhaps, Mr. Chairman, I could maybe read the order in council and my terms of reference in that position:

By virtue of order in council, No. 216, of Jan. 25, 1976, the Chairman of Cabinet was assigned the responsibility for overall co-ordination of policy development with the government in relation to native affairs and for co-ordination of communications between the government and native organizations.

In carrying out the assignment I'm responsible for:

1. Chairman of the interministerial committee on native affairs. This committee comprises senior representatives of every government ministry.

2. Convening regular monthly, or as often required, meetings with the Federation of Native Organizations and individual native organizations to discuss their concerns and problems relating to all problems of the Ontario government as far as native people are concerned.

3. Maintaining regular discussions with representatives of the Métis and non-status Indian association.

4. Communication and visits with Indian bands for off-reserve native communities where matters of particular concern to the native people are in evidence or the efforts and solutions of the problems affect more than one government ministry or agency.



5. Expediting action on behalf of Indian bands, off-reserve native settlements, native organizations or the Federation of Native Organizations on matters within the jurisdiction of the province of Ontario.

6. Representing the native people in our communications of concern to the executive council.

7. Discussion and communications with the federal government on joint programmes of benefit to native peoples.

8. Development of the provincial programme for improving the cultural, social and economic status of the native people.

Mr. Chairman, in carrying out these duties, my staff and I work very closely with various ministries, mainly Natural Resources, Health and Environment. There is also an advisory committee on native affairs that has been established and this consists of the three deputy provincial secretaries—of Justice, Resources Development and Social Development—along with the Deputy Minister of Culture and Recreation and the senior assistant deputy minister at TEIGA. This advisory committee, which I chair, meets every Friday morning, commencing at 11 o'clock and usually going on until 2 or 3 o'clock in the afternoon. If necessary, there could be other meetings during the week with the advisory committee.

[8:15]

A very important committee, established about two months ago, is a joint steering committee. So far there have been three meetings, on Feb. 10, March 12 and April 23. This joint steering committee consists of the four presidents of the main native organizations in Ontario, the president of the Grand Council of Treaty No. 9, the president of Grand Council of Treaty No. 3, the president of the Association of Iroquois and Allied Indians, and the president of the Union of Ontario Indians.

I should also mention, in conjunction with the joint steering committee, that the minutes of those meetings are sent to every Indian band in the province in order to apprise them of the discussions that are taking place and which affect practically every band in the province.

The advisory committee on native affairs is part of this joint steering committee. As co-ordinator, I also meet with the Association of Indian Friendship Centres and the Ontario Métis and Non-Status Indian Association and their 15 local associations.

The work of co-ordinator also involves my office with delegations from individual re-

serves and visits to Indian reserves and settlements. For instance, at the end of February this year, I visited the two Indian reserves, Grassy Narrows and Whitedog, that have been severely affected by mercury contamination. Also, about 10 days ago I visited the flooding in the northern community of Kashechewan and met some of the Indian leaders at Port Albany and Moosonee.

Since I am the only French-speaking minister in the Ontario cabinet, many of the matters dealing with bilingualism are brought to my attention. If there is a public function of some kind and they want a French-speaking minister, at this time I am the only one. I also assist in the co-ordination of policies of further promoting bilingualism in the province, for instance in the matters of documents, licences, bilingual forms, permits and so forth.

Lastly, as I mentioned, I am also a member of the justice policy committee, which normally meets every Thursday morning. This is the committee, as you know, that comprises the Ministries of the Attorney General, Solicitor General, Correctional Services, and Consumer and Commercial Relations.

Those are my main duties, Mr. Chairman. I would be glad to try to answer any questions that any of the members may wish to ask.

**Mr. Chairman:** Thank you, Mr. Brunelle. I will try to follow the same routine that we normally follow in the committee; if members who wish to ask questions would so signify to the Chair, I will try to keep them in order as they state they wish to speak. First, I will call on Mr. Davison.

**Mr. Davison:** I must say, Mr. Henderson, that the description of your duties today is much more detailed than the description of duties that you gave the minister. I think it might have helped somewhat if we had had the original list, rather than the one-sentence affair that we had on Tuesday night.

I would like to just ask you a few questions about your duties before we get on to some of the other areas. Do you feel that you are in the cabinet, as perhaps you indicated when you quoted Mr. Dawson, to provide sectional representation?

**Hon. Mr. Henderson:** Partly.

**Mr. Davison:** By that do you mean regional or occupational?

**Hon. Mr. Henderson:** No, I would possibly suggest regional. They all have a bearing, but that could be one point.



**Mr. Davison:** Okay. You talk about the ministers without portfolio not being immersed in day-to-day departmental duties and being in a position to give time and study to certain things. Then you go on to provide a list of specific things that you are responsible for and you come out with a 40-hour work week in the cabinet. Do you see a conflict between those two statements that you provide 40 hours' work with cabinet work?

**Hon. Mr. Henderson:** Yes. I might say if you stop to think of the amount of reading that we've got to do, when you get stacks this high twice a week to prepare yourself Wednesday morning for the cabinet, Thursday morning for the policy field, there is about three hours reading each night before you're prepared to go to either one of the meetings, and that refers to both of us.

**Mr. Davison:** No, what I am saying is that if you've got 40 hours of work a week that directly relates just to your cabinet duties, don't you find that statement in conflict with the idea that you're supposed to be completely free of normal cabinet responsibilities in order to provide the cabinet of your expertise?

**Hon. Mr. Henderson:** No, I don't. No, I was quite lean on the estimated 40 hours a week with cabinet duties.

**Mr. Davison:** And you don't see any conflict there?

**Hon. Mr. Henderson:** No.

**Mr. Davison:** I'm curious about your original statement, compared to this statement. You said you undertake special assignments in addition to your regular cabinet responsibilities. By regular cabinet responsibilities, I take it you are referring to things such as being a member of the resources development committee of cabinet.

**Hon. Mr. Henderson:** No, as I accept my regular cabinet responsibilities on cabinet meeting day Wednesday. Then the resources development field is an additional responsibility.

**Mr. Davison:** That's one of your special assignments.

**Hon. Mr. Henderson:** That is a regular special assignment every week. Where I referred in my letter to special assignments, they could be a day-by-day something that the Premier—

**Mr. Davison:** Without offending cabinet confidentiality, could you perhaps give us some examples of your special assignments?

**Hon. Mr. Henderson:** I would suggest that there is—I want to be very fair here—I was going to say three times a week, but at least twice a week I meet with delegations when another minister might be tied up, or I might be called out of town to meet them. I think of one time when I went to the county of Essex for the opening of their administrative buildings there. I went on a Friday afternoon to appear on behalf of the government with an ethnic club on Friday evening and I stayed over on behalf of the government until Saturday morning and attended the opening of their municipal buildings. Mr. Ruston could possibly tell you about this building; he was there. There were two or three members there. That is the type of special assignments.

I mentioned a meeting with the Association of Rural Municipalities. There was a panel of cabinet ministers at that. The following morning, I met with two delegations before I left the Royal York; One at 8 o'clock and one at 9 o'clock. The people who approached me that day were municipal people from across the province.

**Mr. Makarchuk:** That's basically known as showing the flag. I presume that's a function.

**Hon. Mr. Henderson:** No, these were strictly municipal people. I have no idea what their politics were. I didn't ask them. They had information they wanted to convey to the government and they did it through these meetings.

**Mr. Davison:** I was at a meeting a short time ago in Hamilton regarding the Children's Aid Society and they had requested that the hon. Mr. Taylor, the minister, come down and explain the government's position to them. The minister couldn't make it to the meeting so he sent one of his deputy ministers or one of his assistants. Isn't that really their job? Is that really a function we should be giving you, to fill in for ministers, when they have a very large and very well-paid staff? A lot of these people are making in excess of \$40,000 a year.

**Hon. Mr. Henderson:** I would have to answer you this way—that I would presume it's the responsibility of each minister as to whom he delegates this authority to. I can't answer for Mr. Taylor what he decides.

**Mr. Davison:** Has Mr. Taylor ever come to you and said, "Will you take this over for me?"

**Hon. Mr. Henderson:** No, I haven't represented Mr. Taylor out of town, I would have to say.



**Mr. Davison:** What ministers have you represented?

**Hon. Mr. Henderson:** I think that would be betraying my trust as a cabinet minister.

**Mr. Davison:** You think that's an official secret.

**Mr. Makarchuk:** But Mr. Taylor was not one of the ministers.

**Hon. Mr. Henderson:** That's right.

**Mr. Makarchuk:** Does he have no trust in you?

**Mr. Chairman:** Order, please. Mr. Davison has the floor.

**Mr. Davison:** It is one thing to say you function on behalf of certain ministries but I don't understand how it would offend cabinet confidentiality or official secrets for you to tell us which ministers. The only one I've ever not seen at a meeting where one was supposed to be was replaced by a deputy. From my own experience as a short-time member I haven't had the pleasure of sharing a platform with you and I would just like to know, is it only a few ministers that you replace because of your personal expertise in certain areas?

**Hon. Mr. Henderson:** I didn't make a list of the ministers I have represented. I would have to answer you that I have represented most of the ministers in our policy field.

**Mr. Davison:** What policy field are you talking about?

**Hon. Mr. Henderson:** Resources policy field.

**Mr. Davison:** So most of the ministers in the resources policy field you have represented at one time or another?

**Hon. Mr. Henderson:** Yes.

**Mr. Davison:** And have you represented ministers outside the resources policy field?

**Hon. Mr. Henderson:** I wouldn't say I have, no. I can't remember that I have. I would have to say no now, to be honest with you.

**Mr. Davison:** Okay.

**Hon. Mr. Henderson:** I don't want to mislead the committee.

**Mr. Davison:** I appreciate your frankness. When you take these assignments to represent other ministers, do you take them in a regional sense? Do you meet with groups only in

southern Ontario or do you frequently travel to the north or what?

**Hon. Mr. Henderson:** I have been to northwestern Ontario. I have been to southeastern Ontario. I have been to southwestern Ontario. I haven't been in northeastern Ontario. I haven't been requested. I have been in three-quarters of the province.

**Mr. Davison:** Three-quarters. Then you are suggesting that that has been a fairly even—

**Hon. Mr. Henderson:** Well, I haven't been requested to go to northeastern Ontario.

**Mr. Davison:** Do you go as often to northwestern Ontario as you go to southeastern Ontario?

**Hon. Mr. Henderson:** Yes, I would think so.

**Mr. Roy:** Where have you been in southeastern Ontario?

**Hon. Mr. Henderson:** In southeastern Ontario I was in Kingston. I have been in Brockville. I have been to Ottawa, whether you consider that southeastern Ontario or not. I'll leave it at that—I have been to those three places.

**Mr. Davison:** You have been to three places there and yet you've said that you sort of travel equally in the three regions. Does that mean you have been to nine towns or cities?

**Hon. Mr. Henderson:** Oh I would suggest I wouldn't have any idea how many places I have been in western Ontario. I covered most of western Ontario.

**Mr. Davison:** Therefore you do travel more extensively and more frequently to western Ontario than to northeastern or southeastern Ontario?

**Hon. Mr. Henderson:** I would have to answer you this way: Half of my travels to western and southwestern Ontario has been at the request of the people where I have been—not necessarily at the request of the minister concerned.

**Mr. Davison:** How often have you been to Hamilton?

**Hon. Mr. Henderson:** I have been to Hamilton twice.

**Mr. Davison:** Could I ask briefly what those were in connection with?

**Hon. Mr. Henderson:** I was there at the request of the hon. John Smith. One was a political function the other was on his retire-



ment—or not his—the night they were honouring him.

**Mr. Davison:** His retirement?

**Hon. Mr. Henderson:** I'd better be pretty careful on that.

**Mr. Davison:** That's a Freudian slip.

**Hon. Mr. Henderson:** Several years, possibly. Yes, on the night that they honoured him.

**Mr. Davison:** What was your other trip to Hamilton?

**Hon. Mr. Henderson:** I might say that that trip to Hamilton was at the request of the Premier to represent him at the night that they were honouring John Smith. The other one was a political event.

**Mr. Roy:** The Premier didn't want to honour John Smith?

**Hon. Mr. Henderson:** The Premier happened to have a caucus party that night. He was entertaining his own caucus that night here in Toronto.

**Mr. Roy:** But not John Smith?

**Mr. Davison:** What was your other trip to Hamilton?

**Hon. Mr. Henderson:** A political one.

**Mr. Davison:** So the one was a political one and the other was to see John Smith?

**Hon. Mr. Henderson:** Yes, one was on behalf of the Premier.

**Mr. Davison:** I think some people might describe the one to represent the Premier at John Smith's celebration as being a political one.

**Hon. Mr. Henderson:** They could, quite possibly. But I was there at the request of the Premier.

**Mr. Davison:** You have been twice to my city and both of them have been political. Is that representative of your other travels and trips?

**Hon. Mr. Henderson:** I would suggest that half of my trips across the province would be political.

**Mr. Davison:** And do you use your staff? Do you use your expense account and so on and so forth when you are travelling on a political trip?

[8:30]

**Hon. Mr. Henderson:** I have had my driver and that's all.

**Mr. Davison:** Are you suggesting, then, that the arrangements aren't made by one of your secretaries working for you?

**Hon. Mr. Henderson:** What arrangements are you referring to?

**Mr. Davison:** Well, certainly you have to make certain arrangements if you're going to a community.

**Hon. Mr. Henderson:** No, I've made my own arrangements.

**Mr. Davison:** Oh, so your secretary doesn't do any of that?

**Hon. Mr. Henderson:** No. I make my own arrangements.

**Mr. Davison:** So in the half of your work that's political you use only your chauffeur?

**Hon. Mr. Henderson:** I didn't say half my work. Half my trips out of the city would be political.

**Mr. Davison:** I'm sorry, quite correct. Half your trips are political. Do you think that that's a proper use of government funds personally?

**Hon. Mr. Henderson:** Yes, yes. I think it's part of my responsibility as a minister of the government.

**Mr. Davison:** To go on political trips?

**Hon. Mr. Henderson:** To go and represent the government, whether it's political or otherwise.

**Mr. Davison:** I think there could be some argument on that point, Mr. Henderson.

**Hon. Mr. Henderson:** Possibly. It's a difference of feeling, but that's my feeling.

**Mr. Davison:** You said in the House on Friday last:

First of all, may I say I'm very happy to note that the member for Port Arthur took the time to read a letter from Mr. Bill Kelly, a man who we hold in very high respect in this House, a man who upholds a very important position in this province, within our party.

So on and so forth. Do you work closely with Mr. Kelly?

**Hon. Mr. Henderson:** I know Mr. Kelly quite well.

**Mr. Davison:** Do you work closely with him?



**Hon. Mr. Henderson:** No, I would say not. He has his functions, he carries them out.

**Mr. Davison:** You were quoted in the House as saying, "I support Mr. Kelly fully, all the way."

**Hon. Mr. Henderson:** I still do.

**Mr. Davison:** That was in relation to Mr. Kelly sending a letter to the Humberside School library soliciting funds for your party from the school, a public institution.

**Hon. Mr. Henderson:** I still support Mr. Kelly.

**Mr. Davison:** And you think that's a good idea for Mr. Kelly to write to schools asking for contributions to the party?

**Hon. Mr. Henderson:** I've answered the question. I still support Mr. Kelly.

**Mr. Davison:** You support Mr. Kelly in his work even when it includes writing to Humberside library and other government-funded bodies?

**Hon. Mr. Henderson:** Yes.

**Mr. Davison:** That's interesting. Amazing.

**Mr. Chairman:** Does that complete your questions?

**Mr. Davison:** No, it doesn't, not quite. I'd like to ask about your staff. Your driver makes \$13,700 a year, correct?

**Hon. Mr. Henderson:** That's arranged by the civil service. I have nothing to do with his salary.

**Mr. Davison:** Fair enough. He's paid the scale. However, for the classified position you're budgeted \$24,000 a year. One of the reasons that we're debating this point, is that you are given \$24,000 a year for classified staff. That leaves you just for classified staff, \$10,300. Could you tell me what you're going to do with \$10,300?

**Hon. Mr. Henderson:** Could I take a minute and explain my staff? Would you permit me to do that?

**Mr. Davison:** Oh, sure, great. All right, fine.

**Hon. Mr. Henderson:** Possibly it'll answer your question. If I can use names, if I would be permitted, Mr. Chairman. Mrs. Doris Dunn has worked for me since March, 1970, first as my secretary when I was a private member and then following my elevation to Minister without Portfolio.

**Mr. Davison:** Can I ask what position she holds? Is she your administrative assistant?

**Hon. Mr. Henderson:** Yes, I'll go through that but I wanted to just add in here what I haven't got. When I was first appointed Minister without Portfolio, I had Mrs. Dunn as riding secretary and Mrs. Dean as ministerial secretary. I appointed Mr. John Hastings as an executive assistant. I found the duties I had didn't require the executive assistant, so at this stage Mr. John Hastings had another opportunity and he went back to work for our caucus. So at that level, that's when I appointed Mrs. Doris Dunn as my administrative assistant, the girl who has worked for me now for six years.

I think the hon. minister gave you the salary ranges of these people. Her salary is \$13,260 a year. Mrs. Doris Dean, whom I mentioned earlier, worked on a part-time basis when I was a private member. Following my appointment as a Minister without Portfolio, I appointed her to the position of ministerial secretary at a salary of \$12,480. Mrs. Dean looks after my ministerial mail, orders office supplies and looks after the accounts of the office.

Miss Mary Smiley came into my employ in the early part of this year as secretary 5. Her salary is \$9,360. Most of Miss Smiley's work is involved around my position as Minister without Portfolio. I would like to go away from my remarks here and tell you that Miss Smiley is from eastern Ontario. I had another girl from your area, Mr. Martel, and she was a very good girl. I had her as a typist but she decided she wanted to go back up to Copper Cliff—I guess that's not your riding—she decided she wanted to go back to her home town. Since she left, I have one Ann McDowell, whose husband is a school teacher and I did have her in for a week or two during the teachers' strike. She suggested she would like to work a couple of days a week and I call her in a couple of days a week.

I have another lady whom I've had for 10 days now. She is on a contract week by week depending on the amount of work there is to do. She is Mrs. Barbara Morden. I have another young lady, again from the Sudbury area. My original philosophy was that I should have someone from eastern Ontario, and someone from northern Ontario if something developed. Again, I have one from Mr. Martel's area. I haven't hired her, as she is on a part-time basis. She is a second-year university student. I have suggested to her that I would like to hire her during the time while my other girls are on holidays.



That is my staff. I have three full-time girls, I have two part-time and I have this one who has worked for a few days for me now as a university student from the Sudbury area. I've told her—just repeating—that I would like to hire her to replace my other girls when they are on holidays during the summer. There are three full-time and I believe the statement the other day suggested two part-time. I want to change that and I've corrected it, I hope, about this other girl, the university student.

**Mr. Martel:** Do you have a constituency office in your riding?

**Hon. Mr. Henderson:** I have a girl hired. I don't have the office opened yet, Mr. Martel. My office will be open June 1. I have a travelling office now. I pay that girl on a three-day-a-week basis.

**Mr. Martel:** She's not on that staff you are talking about?

**Hon. Mr. Henderson:** No.

**Mr. Martel:** I am just trying to get this clear.

**Hon. Mr. Henderson:** Okay, let me make it clear. I have my driver.

**Mr. Davison:** What's his name?

**Hon. Mr. Henderson:** John Rizick. I have three full-time girls, Doris Dunn, Doris Dean and Mary Smiley. I have two part-time, plus the one whom I want to bring in during the summer when the other girls are on holidays. This girl is a young university student.

**Mr. Davison:** The statement we received said only one part-time and you are correcting that now?

**Hon. Mr. Henderson:** No, I think the statement should have said two. I think my letter said two but I think the statement I read in the minutes said that I have Mrs. Ann McDowell. But I have mentioned to you that I brought Mrs. Morden in since I gave the minister that statement.

**Mr. Davison:** I am sorry, I may be under the wrong impression. I thought that was what the minister told us.

**Hon. Mr. Henderson:** The minister did tell you I had one part-time, but I think my letter told you at that time when I gave the minister that letter I had two part-time but the university girl is since that time. I have been looking all over for someone to supply for the summer.

**Mr. Davison:** Okay, fine. The minister told us the salaries for your three full-time—let me see, your administrative assistant, your senior secretary, and your secretary—totalled \$35,200. I've just done some quick mathematics, and the figures you gave us total \$35,100—is that correct?

**Hon. Mr. Henderson:** I haven't added them up.

**Mr. Davison:** Oh—\$13,260, \$12,480, \$9,360.

**Hon. Mr. Henderson:** Yes—\$13,260, \$12,480, \$9,360.

**Mr. Davison:** Does that add up to \$35,100? Am I correct?

**Hon. Mr. Henderson:** I might say that I took them off the minister's statement. I presume that they'll be right. These girls are hired at so much a week, and I didn't work it out in mathematics.

**Mr. Davison:** Madam Minister, did you not tell us \$35,200?

**Hon. Mrs. Scrivener:** I think that's what I had. Yes, that is correct; \$35,200.

**Mr. Davison:** I'm not going to be too critical that you're out by \$100.

**Hon. Mrs. Scrivener:** That's for the unclassified.

**Mr. Davison:** It's a small mistake. Everybody's human. Anybody can make an adding mistake.

Your total budget for staff is \$68,000. Out of the unclassified staff you were budgeted \$44,000. I had thought you were spending \$35,200, but you were spending \$35,100. This means you would have \$8,900 left. Is it your intention to use the \$8,900 to pay for the three part-time staff?

**Hon. Mr. Henderson:** It would be my hopes that this young lady, that I mentioned earlier that I had from the Sudbury area, I would hope to replace her on a full-time basis.

**Mr. Davison:** On a full-time basis?

**Hon. Mr. Henderson:** Yes, instead of these part-time ones.

**Mr. Davison:** Instead of three part-time, you would have one full-time?

**Hon. Mr. Henderson:** Plus the summer holidays. Don't forget that one. That's got to be part-time. Instead of the two, Mrs. Morton and Miss McDowell, I would hope to replace one on a full-time basis.



**Mr. Davison:** You want to replace the two part-time with one full-time?

**Hon. Mr. Henderson:** That is right.

**Mr. Davison:** And then you have your summer replacement.

**Hon. Mr. Henderson:** That is right.

**Mr. Davison:** However, you're allowed one classified staff. Your budget is \$24,000, and you're currently spending \$13,700 for your driver, Mr. John Rizick. That leaves \$10,300. What do you intend to do with that \$10,300? Are you going to give him a raise?

**Hon. Mr. Henderson:** I don't have any authority over that, as you well know. I would expect if I have to pick up outside responsibilities, similar to my colleague, that I would have to have an executive assistant. I would expect to have to pick up outside responsibilities outside the cabinet, I would have to have someone to assist me in that work.

**Mr. Davison:** Okay, we've gone from—

**Hon. Mr. Henderson:** I know it's not too large, but it's there—

**Mr. Davison:** Your support staff is growing very quickly. We went from four and one part-time to six full-time and one summer-time.

**Hon. Mr. Henderson:** No, not six full-time. No, I've told you I have Mrs. Dunn, Mrs. Dean and Miss Smiley.

**Mr. Davison:** Three.

**Hon. Mr. Henderson:** Three. And I've told you I would like to replace one on a full-time basis as a secretary-typist.

**Mr. Davison:** The two part-time staff replaced with one full-time staff member?

**Hon. Mr. Henderson:** Yes. So that goes to four. Now, I'm not counting my driver.

**Mr. Davison:** You've got your driver. You've still got \$10,000 with which you want to hire an executive assistant.

**Hon. Mr. Henderson:** If I need him. If I get some outside responsibilities. At the moment I don't require him.

**Mr. Davison:** I don't understand why you're asking us to budget money that you don't know if you are going to spend or not. Why do you want us to budget \$68,000 if you don't even know whether it's needed? Couldn't you get a supplementary, get some

money from the Treasury, or something? I don't understand why you're requesting the money from us.

**Hon. Mr. Henderson:** I was allotted this money by the Management Board.

**Mr. Davison:** You were allotted it by the Management Board?

**Hon. Mr. Henderson:** Yes.

**Mr. Davison:** They told you—

**Hon. Mr. Henderson:** I might say that it's the same budget as was allotted a year ago. No ups, no downs—the same amount.

**Mr. Davison:** I don't understand. Do you make a submission to the Management Board saying how much money you need for staff, or what staff you need?—

**Hon. Mr. Henderson:** I would presume that the Minister of Government Services—

**Mr. Davison:** Madam Minister, did you create a support staff group for the minister, and then go to Management Board with that, or—

**Hon. Mrs. Scrivener:** No, our staff, in conjunction with the staff of Management Board reviewed what were considered to be the requirements at that time, and this was then approved by Management Board.  
[8:45]

**Mr. Davison:** I still don't understand why we are being asked to supply \$10,000 that isn't needed.

**Hon. Mr. Henderson:** I wouldn't suggest it is not needed. I have made it quite clear that if I have to pick up other responsibilities—

**Mr. Davison:** No, I realize that perhaps this isn't your responsibility—

**Hon. Mr. Henderson:** No, but if I am allotted other responsibilities—

**Mr. Davison:** I understand. If you are allotted other responsibilities, then surely that would come into the same sense as if the Premier wanted to have a third Minister without Portfolio. The funds would have to come from some other place in this budget. We are not padding this budget. If we would budget for the possibility of a third minister, we would be talking \$360,000 or something, but we are not. We don't budget for contingency. We budget for expenditures. The \$10,000 has matched no expenditures. So, I don't see why it is in this budget and I would like somebody to tell me.



**Hon. Mr. Henderson:** I have answered you.

**Mr. Davison:** You don't know.

**Hon. Mr. Henderson:** That is my answer, yes, that I expect I will have other responsibilities and that I will have to have additional staff.

**Mr. Davison:** I understand your point. I accept it completely.

**Hon. Mr. Henderson:** Fine.

**Mr. Davison:** What I am saying is that we don't, in this government or in this particular classification, budget for what may or may not happen. We budget for what we predict will happen. That's the way it is done. I just don't understand why I am being asked to vote to expend \$10,000 when we don't even know if we are going to need it. I would like some answers before I am prepared to accept it.

I don't, at this time, have any other questions for Mr. Henderson. I know many other members of the committee would like to ask questions. Perhaps we can deal with Mr. Henderson and Mr. Brunelle separately?

**Mr. Chairman:** No, I think we have them both here together. We can ask both of them questions at the same time.

**Mr. Davison:** No, I am just suggesting that the other members may have questions for Mr. Henderson. I have got maybe another half-hour to talk to Mr. Brunelle. Could we split it up?

**Mr. Johnston:** Mr. Chairman, if this chap over here, my hon. friend all the way from Hamilton, is going to talk another half an hour, I am going to leave this meeting.

**Mr. Martel:** Take your seatbelt with you.

**Mr. Johnston:** You will wear it right around your neck.

**Mr. Davison:** I hadn't noticed the hon. member at any other committee meetings.

**Mr. Johnston:** I'm not going to stay around and listen to another half-hour of this crap, I'll tell you that.

**Mr. Martel:** It's your party, you can't leave.

**Mr. Johnston:** By no means is it my party.

**Mr. Chairman:** Order, please.

**Hon. Mr. Henderson:** Mr. Davison, the only thing I could leave with you is that we

never know what duties Mr. Davis may allot us tomorrow in cabinet. We never know.

**Mr. Chairman:** Order, please.

**Mr. Davison:** Mr. Chairman, I have taken up a great deal of time by dealing with these. I would rather have other members drift in on occasions to speak on this urgent business. I will allow them. I will then come back later on to speak to Mr. Brunelle's estimates.

**Mr. Bullbrook:** I appreciate the indulgence of the members of the committee in permitting me to ask some questions. I don't want to really deal in great detail in connection with the dollars and cents. My interest begins with the fact that we are apparently in an age of austerity and restraint. I think having regard to that we have got to address ourselves not to the question of whether the government has a right to appoint ministers without portfolio—it goes without saying that it does. Not that we can investigate unduly their functions and responsibilities, because we might tread upon the confidentiality of those responsibilities. But we must address the question as to whether they are needed or not.

I think we have a very legitimate exercise in investigating whether they are needed or not, because whether what Madam Minister said the other night is right or wrong about the prerogative of the Prime Minister, let it never be forgotten that we have the prerogative of paying for it. That is really what I am interested in.

To begin with, may I say to you, if I can, as one who knows that almost every piece of correspondence with which I deal is copied to the hon. Lorne Henderson—and we may as well understand each other right from the beginning—I begin with the predication that you're a political appointee, nothing more, nothing less; that the government of Ontario can operate without you very well from a point of view of the government responsibility; that the Premier of Ontario (Mr. Davis) has appointed you there, in effect, to take the place of his former Minister without Portfolio, the hon. John White who had partisan political responsibilities. I begin with that premise and I apologize to you for that premise because it's not so proven. It's an insinuation that comes to me after a decade of dealing with the type of politics that you feel is paramount and in the interests of the people of Ontario.

I want to ask you a question to begin with, if I may. Again, not trying to be unduly offensive, but I want to say that I don't



believe that the Oxford University Press is current and choice in your reading, and when you say to me that Herbert Morrison said, in the publication by the Oxford University Press, "the non-departmental ministers, not being immersed in the day-to-day departmental duties, are in a position to give time to study the things to come," I would like to ask you a question if I may. Who prepared this for you? One of your staff?

Hon. Mr. Henderson: Mr. Chairman, this is my statement.

Mr. Bullbrook: Are you prepared to tell me who prepared this for you?

Hon. Mr. Henderson: I prepared it.

Mr. Bullbrook: You prepared it yourself. With the assistance of your own staff?

Hon. Mr. Henderson: Yes.

Mr. Bullbrook: Without any other assistance?

Hon. Mr. Henderson: With the assistance of my staff.

Mr. Bullbrook: Only.

Hon. Mr. Henderson: I consulted others.

Mr. Bullbrook: Yes. Well, you see, that is essential really to what we're dealing with. The fact of the matter is anybody who has not slept from 9 in the morning until 10:30 at night recognizes that the hon. minister didn't prepare this. He just couldn't. It's not his style. No, I want to say—

Mr. Drea: Mr. Chairman, on a point of order.

Mr. Bullbrook: On a point of order, fine.

Mr. Drea: Mr. Chairman, it's a valid question to ask the minister as to what he does; that is within the prerogative of the committee and the visitors we have let in here tonight. If we're going to get into a malicious, vindictive—

Mr. Bullbrook: I didn't—

Mr. Chairman: Order, please.

Mr. Makarchuk: There is no such thing—

Mr. Drea: Just a moment.

Mr. Makarchuk: I think they have a right.

Mr. Drea: You took up a lot of time the other night and you couldn't even vote. Let me continue. If we are going to get into a vindictive, malicious questioning of a min-

ister's intellect, including the remark that the Oxford University Press is not the type of thing that he would read—

Mr. Bullbrook: I didn't suggest that it was.

Mr. Drea: —I suggest to you—well, if you didn't, let the stenographer read it back.

Mr. Bullbrook: I said it wasn't current and choice.

Mr. Drea: Wasn't current and choice. Well, the implication is there. Now, if we're going to get into that kind of thing I will tell you right now as a member of this committee, I'm not having any part of this kind of thing and I would strongly suggest we keep it within the terms of reference. The question the minister was asked to appear on was: what does he do? Not what does he read, not how does he spell his words, not whether he is grammatical and not whether his literary efforts are good enough to meet the standards of a small-town lawyer.

Mr. Bullbrook: I want to tell you that—

Interjections.

Mr. Chairman: Order.

Mr. Bullbrook: I want to say to you—

Mr. Chairman: Order, please.

Mr. Bullbrook: I appreciate this. I want to respond to the point of order in this respect. I've never found that grammatical construction was the essence of my evaluation of an individual, either politically or professionally, and it certainly isn't with respect to the minister who is before us tonight. I tried to use this as an example of the fact that really when the hon. minister does something, he's not doing it in the context of the way he says he is doing it. That's all. This isn't a response by the hon. minister. We know it. We know it to be such.

Mr. Drea: I don't.

Mr. Bullbrook: I use it only as an example of the fact that this thing is fraught with artificiality, and I began with the premise that we cannot afford the luxury of spending money for the sake of spending money, and that's all the exercise is about. If I, by saying that I believe the minister's present reading, current and choice, is not the Oxford University Press, was defamatory, then I want to say I apologize through the Chair to the minister. I don't mean that at all but I want to say to him quite frankly, it's not my current and choice reading.



That type of comment as to the function of a Minister without Portfolio requires some research and direction outside I think the purview and ability of his present staff. That's what I'm talking about; that's the essence of what I'm talking about. I believe, and perhaps I am wrong, but I believe the premise to be that his function is a partisan, political function integrated with that great staff that populates part of the labyrinth of these chambers, namely those people appointed by the Progressive Conservative Party.

**Mr. Johnston:** Again, Mr. Chairman, on a point of order.

**Mr. Chairman:** What's your point of order?

**Mr. Johnston:** My point of order is using the word "political." Let's be very honest about it. With every member of this committee, every time you walk up your main street of your home community you're playing politics.

**Mr. Bullbrook:** Absolutely.

**Mr. Johnston:** Now, let's not kid ourselves. Leave the word "political" out of here. We're all politicians.

**Mr. Bullbrook:** There are times—

**Mr. Johnston:** I've never heard the likes of such a meeting. Good God Almighty!

**Mr. Makarchuk:** Speaking to the point of order, Mr. Chairman, the argument here is the fact that it's not whether it is political or not. The argument is whether public funds should be used to finance—

**Mr. Johnston:** And you're accepting your cheque every damn month for being a politician.

**Mr. Chairman:** Order, please.

**Mr. Makarchuk:** —the activity of one political party. That is the point, that is the argument.

**Mr. Johnston:** Why be so damn guarded about it? I've been asked for 37 years and I'm still around.

**Mr. Chairman:** Order, please.

**Mr. Johnston:** I've never heard such nonsense in all my born days.

**Mr. Chairman:** Order, please.

**Mr. Makarchuk:** Are you saying I'm holier than thou?

**Mr. Johnston:** Holier than thou, God Almighty!

**Mr. Martel:** Sounds like the Premier, doesn't he?

**Mr. Samis:** On a point of privilege. Can I ask the chairman that all members speak in approximately the same tone and level, so that we don't have to be harangued?

**Mr. Chairman:** Thank you. Mr. Bullbrook has the floor.

**Mr. Bullbrook:** I'll pass on from this. I just wanted to begin with that premise because what I'm interested in more than anything else is the expenditure of these funds in the context, as I said on Thursday evening, of closing hospitals. It's very important for us to recognize the balance of priorities. If we don't do that and assist the Premier and the Treasurer (Mr. McKeough) in a responsible integration of a restraint programme, then we're not doing a job supportive of their purpose. So I think we've got to look at this.

In saying this I want to say we didn't have the preparation of a formal statement by the hon. Rene Brunelle, but from what I was able to hear, I must say to you as one member of the Legislature that I'm quite content with the expenditures of funds made by him. I think, frankly, his responsibilities as Chairman of Cabinet, his responsibilities in connection with native people—which are completely homogeneous with his geographic location, his background and the portfolios that he's occupied—his certain collateral responsibilities in connection with his native tongue, and the fact that probably he's the only cabinet minister who is able to deal in that native tongue in a very fluent fashion, are completely attractive to me. I don't intend to get into his estimates.

But I do want to go over this statement, I do. I really want to talk in regard to my specific responsibilities. I marked down eight points here that I saw the minister to be involved with. I begin a questioning and a dissertation, if it might be called such, by asking each one of us to come to a conclusion whether government could function properly without the intervention of the present minister and the expenditure of some \$100,000. That's really what we're talking about when it's all over.

When you talk about the utilization of your automobile and when you talk about the expenses that you're put to from time to time, we're talking about the expenditure of \$100,000. I want to say to you it's a very minuscule amount in the context of a budget of \$11 billion; I realize it to be. But you know, when you tell us that you attend each meeting of cabinet and participate in full



discussion of all government policy issues and legislation, which takes place during most of each Wednesday, I want to say to you—and if you want to respond I invite you to do so through the Chair—I just believe, frankly, that the cabinet could function and function totally without the necessity of your occupying your present position. I'd like you to respond to that.

**Hon. Mr. Henderson:** You have the right to that opinion.

**Mr. Bullbrook:** I'm entitled to that opinion?

**Hon. Mr. Henderson:** Sure, it's a free world.

**Mr. Bullbrook:** I'd like you, without disclosing cabinet responsibility, to tell me if there is a particular function that you perform that's essential to the operation of the cabinet. Your colleague, the hon. Rene Brunelle, is the Chairman of that Cabinet and I can understand entirely the propriety of his responsibility. But in giving us this statement of your duties, that is saying that you attend every Wednesday cabinet meetings—which, of course, is the function of each cabinet minister—I wonder what input you have there? And perhaps that's an unfair question.

[9:00]

**Hon. Mr. Henderson:** I think I have answered it in my statement.

**Mr. Bullbrook:** All right, fine. The second thing is—and I don't expect a response here, because I want to again begin with my own bigoted prejudice—You say: "I am also a full member of the resources development committee of cabinet, which meets each Thursday." I want to say to you there, sir, that I don't offend the minister here, because I don't think we need a resources development committee. I don't think they really perform any function that I have ever seen.

I have spoken for years about COGP—and so has Mr. Henderson in his report, if you want to have a look at that and see his analysis of what COGP has meant. And so, if really one of the bedposts of your responsibility is being a member of resources development committee, I want to say this to you, if I may, that the committee could well be done away with.

As the third thing I have, you also say: "I am a member with the House leader of the legislative planning committee, which meets every Monday morning." Is it again involving cabinet confidentiality if I might ask what your function is there? You liaison with your own caucus?

**Hon. Mr. Henderson:** Yes, I liaison with our own caucus. Beyond that, I would have to say it's—

**Mr. Bullbrook:** Am I not correct in complimenting you significantly that before you were elevated to your present position, you were one of the most significant private members in liaison between caucus and government?

**Hon. Mr. Henderson:** I have never said that.

**Mr. Bullbrook:** I am asking you whether you have that opinion of yourself, because I want to tell you many of your colleagues, especially rural colleagues, have that opinion of you.

**Hon. Mr. Henderson:** Well as I say, I have never said that.

**Mr. Bullbrook:** All right, so you are saying—

**Mr. Drea:** Put it on the record, it is true.

**Mr. Bullbrook:** My colleague, the hon. member for Scarborough Centre says to put it on the record that it's true.

I find it to be an anomaly, because I find it to be a responsibility of the whip and others, in effect, to have a liaison between government and their caucus. But I want to say this to you in connection with this, Mr. Chairman, that I believe the hon. member carried forward that function very, very significantly.

I don't want to bore you with some of the details of this man's ability to persuade cabinet ministers and his ability to persuade Premiers of Ontario.

I can go back eight years and tell you this, and put it on the record, that I brought a private bill one time on behalf of the village of Point Edward and it was squelched. I was told subsequently by a cabinet minister that there was a phone call at 11 o'clock at night to this cabinet minister from the hon. John Roberts saying: "That bill is not going to go through. Henderson has just phoned me, and it can't go through." That was the Point Edward Bluewater Bridge bill the first time around, just so we have it on the record. And that was told me by the hon. A. B. R. Lawrence in connection with John P. Roberts.

The point I make here is this. This man had significant political clout before and his liaison activities with the legislative planning committee was well known to us all before his elevation.

The fourth point: "I work with other ministers to co-ordinate the processing of gov-



ernment legislation and liaison with government members to ensure the speedy and orderly introduction of legislation into the House."

I just don't know what that means. I want to tell you that is so general, so innocuous, that I don't know what it means. What do you do in ensuring the "speedy processing of legislation"?

**Hon. Mr. Henderson:** Again, we are bordering on confidentiality, but I would have to tell you that as a member of the cabinet, when there's a bill I know has passed through cabinet that hasn't got to caucus, I see that it's there so it can be accelerated.

**Mr. Bullbrook:** You accelerate it through your own caucus then? Is that it?

**Hon. Mr. Henderson:** Through our own caucus to get it into the House to be on the order paper, so that other members will have an opportunity to look at it.

**Mr. Bullbrook:** All right, fine. You also say, as point five, that I have written down on page 4: "I endeavour to bring to bear on cabinet deliberations my views and convictions gained from my many years of experience in dealing with the problems of the people at the local level."

I suggest to you that is truly a political function—and there is nothing wrong with that at all. But wouldn't you agree it's a political function? A partisan function?

**Hon. Mr. Henderson:** It is not a partisan function.

**Mr. Bullbrook:** It is not a partisan function?

**Hon. Mr. Henderson:** I suggest we are all politicians.

**Mr. Bullbrook:** I have no doubt of that; some better than others. I hold you in high esteem in that respect. Would you not say, frankly, that when you talk about "I endeavour to bring to bear on cabinet deliberations my views and convictions gained from many years of experience"—really, what you are saying is that you attempt to influence them in connection with the wisdom of their legislative deliberations, having regard to your background as a municipal politician?

**Hon. Mr. Henderson:** My background in dealing with the public, yes.

**Mr. Bullbrook:** In dealing with the public. "No. 6. I consult regularly with members of the cabinet and with government members on many specific issues as they arise."

**Hon. Mr. Henderson:** Right.

**Mr. Bullbrook:** I put it to you that, day by day, week by week, as one saw you saunter around the House as a private member—as only you could do—with your ability to persuade, you did that without a cabinet portfolio and efficaciously beyond description.

**Hon. Mr. Henderson:** Thank you.

**Mr. Bullbrook:** Is that a function of a cabinet minister?

**Hon. Mr. Henderson:** I have made it as a statement.

**Mr. Bullbrook:** In other words, were you not a cabinet minister now you would be well seated and not bringing to bear the influence that you have?

**Hon. Mr. Henderson:** That could be debated.

**Mr. Bullbrook:** You say, "Since my appointment to cabinet my correspondence from members of the public is running some 75 letters every week on cabinet-related business."

**Hon. Mr. Henderson:** That's letters from outside the riding of Lambton.

**Mr. Bullbrook:** Outside the riding?

**Hon. Mr. Henderson:** Of Lambton.

**Mr. Bullbrook:** Is there some type of integration of cabinet with you? Are there letters directed to you by other members of cabinet?

**Hon. Mr. Henderson:** They are pretty minor. Of this 75 a week, there might be inter-cabinet mail of 10 or 12 letters a week.

**Mr. Bullbrook:** I don't really want to waste time on 25 cents or 65 letters but I am interested in this. How do these letters generate to you? Do they generate through other colleagues of the cabinet?

**Hon. Mr. Henderson:** No. Let me use one incident, the closing of the Clinton Hospital—the announced closing.

**Mr. Bullbrook:** Right?

**Hon. Mr. Henderson:** I got several letters; I don't mind telling you I got several letters—

**Mr. Bullbrook:** Sure you would.

**Hon. Mr. Henderson:**—as the minister. That is what I am referring to as special issues.



**Mr. Bullbrook:** May I suggest to you that I had several letters? May I suggest to you that the member for Huron-Bruce (Mr. Gaunt) had several letters. Okay?

**Hon. Mr. Henderson:** I have them as—

**Mr. Bullbrook:** Would you agree with me that's not a—

**Hon. Mr. Henderson:** No, I had them as a member of cabinet asking me to intercede with the Minister of Health (Mr. F. S. Miller).

**Mr. Bullbrook:** I hope I am making some impact in this respect. What I am trying to do here is show that notwithstanding the length and breadth of your statement, I would suggest 95 per cent of the function you undertake is not a cabinet function. On the closing of the Clinton Hospital I think almost every member within a radius of 65 to 70 miles of that hospital was involved with the generation of much correspondence. To use that as an apology for your position, I think, is wrong. Mr. Gaunt got them. I got them. I am sure Mr. Edighoffer got them.

I want to quit now with the last one. "Finally, my job has included representing the government and various ministers in meetings and discussions with various public groups."

I am going to say this to you if I may. You undertook that function with great talent and ability.

I remember an editorial in the Sarnia Gazette. After, I think, something like five years of my incumbency they finally decided enough was enough. I am going to give you a little history of the opening of the Lambton generating station. There were eight members of the Legislature sitting on the dais up there; one sat in the body of the group, the member for Sarnia.

They opened a community college. They turned the sod of a community college in my riding one time and who was there to open the community college? The Deputy Minister of Colleges and Universities along with my colleague, the present cabinet minister. I stood at the back of the room and I am not going to litanize any more of this type of thing.

The point I want to make to you is this—and don't be fooled by it—getting back to the beginning of our comment, everything this cabinet minister does now he did before. The difference is now that the taxpayers of Ontario subsidize this exercise. I want to say to you that I don't believe we could afford

the luxury of an election based on the pre-requisites of the Hon. Lorne Henderson.

I want to say to you, frankly, that this has been a valuable exercise from my point of view, Mr. Chairman, because it has shown, in effect, that if a government is that sincere about saving money it should begin within it's own house. Not only are we involved with what I consider a redundant ministry, we are asked also to appropriate funds of a statutory nature tonight for the implementation of another one which we don't know.

Notwithstanding, frankly, what I consider a superfluous expenditure of money in connection with this present lack of portfolio, think of the arrogance of this government when it wants us to appropriate another \$7,500 for a statutory minister, and it won't tell us who he is or what his responsibilities are to be. I think that carries it too far.

I am most appreciative of the fact you have given me this breadth in my comments. I close in saying the focus of this has to be the question of government restraint. It only began because of that; it truly did. It has nothing to do with the function of the secretaries involved. I think that is a legitimate discretion to be exercised by the minister. I myself am not prepared to say that his administrative assistant does or does not do a job because I'm inclined to think she does. I want to end by saying I don't think the job should be there.

**Mr. Chairman:** Mr. Henderson or Mr. Brunelle, any comments? The next will be Mr. Makarchuk.

**Mr. Makarchuk:** I have a few comments or questions to the Minister without Portfolio regarding his statement. I'm not going to quibble about the authorship of the statement. I'll leave it where it is. I realize a lot of the statements and speeches that are passed in the House are not necessarily written by the same individual who utters them eventually.

I would like to go to page 3 of the statement where it says at the bottom of the page:

"Every possible implication of new policy is recognized and considered. Different ministers are expected and encouraged to bring different points of view to bear on these issues."

I want to make the discourse on the basis that he answers my questions or my comments are to be followed by his comments. Is the Premier (Mr. Davis) involved in these cabinet meetings or have you taken over control of the cabinet meetings? In this case you suggest that other ministers are encouraged to bring out their points of view. Are the



other ministers rather reticent about bringing out their points of view in your presence, or is that just a statement on a statement?

**Hon. Mr. Henderson:** I suggest to you the minister responsible for a portfolio is responsible to be on guard against any way that special legislation might interfere with his department. As Minister without Portfolio, I do not have a department. I look on it in an unbiased manner.

**Mr. Makarchuk:** Could you perhaps elaborate on what you mean when you say you look at it in an unbiased manner? What does that mean? Unbiased in what way?

**Hon. Mr. Henderson:** I don't have a portfolio to protect. I look at it from the point of view of the overall issue as to whether it is good for the people of Ontario or not.

**Mr. Makarchuk:** In your opinion, of course?

**Hon. Mr. Henderson:** That is right.

**Mr. Makarchuk:** On page 4, it says: "Following this, I work with other ministers to co-ordinate the processing of government legislation and liaison with government members." Would you indicate what specific government legislation you were involved with that you helped to process?

**Hon. Mr. Henderson:** All of it.

**Mr. Makarchuk:** All of it?

**Hon. Mr. Henderson:** Yes. All cabinet ministers deal with government legislation.

**Mr. Makarchuk:** Were there any bills you were particularly interested in yourself?

**Hon. Mr. Henderson:** As a representative of the people of Ontario I have studied every bill that has been introduced in the House and placed my comments before cabinet on them.

[9:15]

**Mr. Makarchuk:** Regarding the work of cabinet committees, your statement says: "It is necessary to review beforehand each policy paper and each proposal for legislation, so I may be prepared to make proposals for changes and improvements." Would you indicate at this time where you made proposals for changes and so on?

**Hon. Mr. Henderson:** Yes. I am glad you brought this up. The former speaker suggested that resources policy field was not functioning properly. On Tuesday evening I get all the policy papers, and they are a

stack that takes three hours reading to go through, that we are going to deal with on Thursday morning. In getting them Tuesday evening I have a chance to study them. If I feel they are good, bad or indifferent, on Thursday morning I am prepared to speak on them and, in that way, it accelerates the work of the policy field. I didn't contradict the hon. member for Sarnia, but I might say the policy field does an outstanding job. You get a chance to look at the issues, do comparisons, and you have time to spend on them.

**Mr. Makarchuk:** Right. We are concerned in this Legislature about the policies of some of the ministers—

**Hon. Mr. Henderson:** Definitely.

**Mr. Makarchuk:** —and you state that you do involve yourself in policy papers. Could you specifically state some of the policies you tried to influence?

**Hon. Mr. Henderson:** I would be breaking confidentiality but they involve every minister within our policy field—

**Mr. Makarchuk:** Could you state some specific policies of government that you feel were altered or adjusted because of your intervention?

**Hon. Mr. Henderson:** Highways is a very important one. But to go beyond that wouldn't be fair. I would be divulging cabinet confidentiality.

**Mr. Makarchuk:** Would you say that your ministry has a certain policy or certain direction, that you have in mind some legislation that you—

**Hon. Mr. Henderson:** Not my ministry.

**Mr. Makarchuk:** No, rather as a minister without portfolio.

**Hon. Mr. Henderson:** Yes.

**Mr. Makarchuk:** In that case, yes. Would you indicate some legislation that at some time or other you have altered or you felt had to be changed. In other words, we just want a sense of the direction, of the thrust of your policy.

**Hon. Mr. Henderson:** Yes, but to name any special situation, I would be breaking the confidentiality of the cabinet. As I say, I just want to emphasize that the policy field is very important in the decision-making process.



**Mr. Makarchuk:** On the 75 letters that you received on cabinet-related business, did you receive a letter from the member for St. Catharines (Mr. Johnston) on seatbelts perhaps?

**Hon. Mr. Henderson:** Yes.

**Mr. Johnston:** He was told about it verbally.

**Hon. Mr. Henderson:** I had a visit to my office from the member for St. Catharines. He made quite clear his feelings with respect to seatbelts.

**Mr. Makarchuk:** Okay. That is all I have.

**Mr. Chairman:** Mr. Drea?

**Mr. Drea:** Mr. Chairman, I think I will be like Mr. Davison. I will pass at this time. There is more to come later on.

**Mr. R. S. Smith:** Some months ago, the minister, in answer to a question in the Legislature, said he represented people from ridings other than his own. Included in that was the riding I represent. I would like to ask him who those people were.

**Hon. Mr. Henderson:** No, wait a minute; I didn't say I represented, I said I met with delegations from other ridings. It just happened that your riding was one from which I met with a delegation the day I made that statement—that day or the day before.

**Mr. R. S. Smith:** You said you acted on behalf of people from other ridings, if I recall.

**Hon. Mr. Henderson:** I acted on behalf of that delegation I met with.

**Mr. R. S. Smith:** That's right. Would you mind telling me, since it is from my riding and since you are not the elected representative there, on whose behalf you acted for that riding?

**Hon. Mr. Henderson:** I met with this delegation on behalf of the government.

**Mr. R. S. Smith:** The government of the day.

**Hon. Mr. Henderson:** The government.

**Mr. R. S. Smith:** In place of another minister who ordinarily would have met with them.

**Hon. Mr. Henderson:** I met them at the request of that delegation.

**Mr. R. S. Smith:** You also indicated this was a regular participation of yours at that time, and today you said you had never been to northeastern Ontario. I find it very difficult—

**Hon. Mr. Henderson:** They were here. I met them in my office.

**Mr. R. S. Smith:** I realize that. But I find it very difficult that you act on behalf of these people when you have never been to the location they come from.

**Hon. Mr. Henderson:** Now wait a minute. I haven't been to the location since I became Minister without Portfolio.

**Mr. R. S. Smith:** Yes.

**Hon. Mr. Henderson:** I have been in northern Ontario many times.

**Mr. R. S. Smith:** Yes, I realize that.

**Hon. Mr. Henderson:** In North Bay and other areas. This delegation wrote in and requested a meeting with me. I granted the meeting.

**Mr. R. S. Smith:** The meeting was with you or another minister?

**Hon. Mr. Henderson:** With me, personally as Minister without Portfolio.

**Mr. R. S. Smith:** On the basis of ministerial activity of another ministry?

**Hon. Mr. Henderson:** No, on the basis of government activities.

**Mr. R. S. Smith:** To do with no particular ministry?

**Hon. Mr. Henderson:** To do with government.

**Mr. R. S. Smith:** But it must have involved some ministry's activities?

**Hon. Mr. Henderson:** That could have been, but it was overall government policy.

**Mr. R. S. Smith:** It wouldn't be to do with patronage in the area or that type of thing?

**Hon. Mr. Henderson:** No. I don't even know what the politics of the people were.

**Mr. R. S. Smith:** I see, I see.

**Hon. Mr. Henderson:** They didn't divulge it.

**Mr. R. S. Smith:** I just wondered what they were doing here. Why they would meet with a minister who did not represent the



ministry to which they wished to make their representations?

**Hon. Mr. Henderson:** It was their request by letter to me.

**Mr. R. S. Smith:** I see.

**Hon. Mr. Henderson:** Confidential, to do with government policies.

**Mr. R. S. Smith:** To do with government policies? And not to do with—

**Hon. Mr. Henderson:** Nothing to do with their member.

**Mr. R. S. Smith:** I'm not worried about whether they have anything to do with the member or not.

**Mr. Makarchuk:** It's all part of the political process.

**Mr. R. S. Smith:** I'm not in the political process in that area; I suggest to you that that may be a little different than what the people in that area think.

**Hon. Mr. Henderson:** If you're thinking it was political, it was not. It was people interested in things the government had done. I don't know to this day what their politics were. Politics itself were not discussed.

**Mr. R. S. Smith:** Okay, it's how we move things around, that's really what it is all about. But anyway, I understand that.

I don't have any other questions of this minister except I would just make a comment that I find, through his statement, it is hard to understand what position he takes in the government, other than that of a private member, and why he is a minister. But I think the fact that he has indicated he acts on behalf of people outside of those areas that are represented by government members, indicates the position that he has. That's the point I make and I think you have indicated that in the past yourself.

I have a couple of questions I would like to direct to Mr. Brunelle, and it's not on the first part of his presentation, because I'm sorry I was not here when you were speaking, but it is on the second part. That's to do with the fact that you feel part of your duties as a minister without portfolio are to represent the other official language group in Ontario and in the cabinet. Is that correct? Am I right in saying that?

**Hon. Mr. Brunelle:** Mr. Chairman, I believe what I said was that I am the French-speaking member of cabinet. When there are

official government functions and they want a French-speaking minister, I am the one who would be assigned.

I also mentioned that I assist in the co-ordination of policy matters with reference to bilingualism; the question of more forms, documents, permits, and so forth. Also I do receive a fair number of letters, and not just from my riding. My riding, as you know, is quite large and about 70 per cent French-speaking. But I do get letters from other parts of Ontario, knowing that I am French-speaking. So I do get a certain amount of work in reference to the francophone population of this province.

**Mr. R. S. Smith:** Are you interested or are you specifically designated as the cabinet minister who should be instrumental in the process of developing policy insofar as the Franco-Ontarian population is concerned on an over-riding basis over all ministries, or regarding our suggestions to ministries?

**Hon. Mr. Brunelle:** No; as I mentioned earlier, I do assist in the co-ordination of policy formation and implementation.

**Mr. R. S. Smith:** Okay; in the past year we've seen develop, within the Ministry of Health for example, a group outside of the Legislature which has been appointed by government. Their chief concern has been the delivery of health services to the French community. Have you been involved in that at all?

**Hon. Mr. Brunelle:** No.

**Mr. R. S. Smith:** That's not the type of thing you are involved in?

**Hon. Mr. Brunelle:** No. The type of thing I would be involved in, Mr. Chairman, would be, for instance, the question of, say, more bilingualism in documents.

As you probably know, in the last few months our government is having produced bilingual drivers' permits, birth certificates, marriage certificates, more documents; also literature and pamphlets. It's left to each ministry but each ministry is encouraged to produce bilingual items when there is demand by the French-speaking population. These are the sort of things. I do get consulted by some ministries for my views on whether it is really necessary to have, say, a bilingual pamphlet if it is the sort of pamphlet that is—

**Mr. R. S. Smith:** In other words, you're involved in the development of public relations and the propaganda of the ministries.



I use that in the best way; I don't use that in a derogatory sense.

**Hon. Mr. Brunelle:** I hope not because I don't think bilingualism is propaganda.

**Mr. R. S. Smith:** No, I'm using that in the best sense of the word—the propagation, then, of government policies and government programmes in the French language. You are not involved directly in the development of policies which have to do with franco-Ontarians?

**Hon. Mr. Brunelle:** No, except, as I mentioned earlier, on the question of a bilingual document and so forth.

**Mr. R. S. Smith:** But those are just translations of what the—

**Hon. Mr. Brunelle:** As the hon. member knows there were public meetings held throughout the province, chaired mainly by the Treasurer (Mr. McKeough). When we were in Ottawa, for instance, I was asked by the French CBC to give my views, to comment; and when I was in Timmins again, and Sudbury—

**Mr. R. S. Smith:** It is strictly public relations. It has nothing to do with policy.

**Hon. Mr. Brunelle:** No, but I just mention this; this is, again, as a French-speaking representative of cabinet.

**Mr. R. S. Smith:** The point I'm trying to get at is this: I look on you as the representative in the cabinet of the franco-Ontarians. There's no other, really, to be quite frank about it so we have to look on you as that. I look on you as having input into policies which involve the franco-Ontarians, but obviously that's not the case.

**Hon. Mr. Brunelle:** What do you mean it's not the case? I mentioned it earlier and I think the francophone population has been very pleased in the last few months on the question of having bilingual drivers' permits, bilingual birth certificates. These are things people went to jail for. These are the things that I've been instrumental in—

**Mr. R. S. Smith:** Yes, I understand that, but those are very mechanical things. I'm talking about things like the delivery of health services in the French language. This doesn't involve you at all. Who does it involve?

**Hon. Mr. Brunelle:** No. I think the hon. member knows there were public meetings held throughout the province—

**Mr. R. S. Smith:** Yes, public meetings, PR and what not. That's basically what it is; that's what you're talking about.

I'm talking about the development of policy and the development of attitudes in the ministries toward the franco-Ontarian in the province. I point out one group that's evolved over the past six or eight months or maybe a year, while you have been Minister without Portfolio, and that's in the health field. I feel it's very important that there be some input to the cabinet at the franco-Ontario level about the development of a committee to study the health services to the franco-Ontarian population. You say you've had nothing to do with that.

As I understand it, your position as a minister without portfolio does not involve anything of that nature.

**Hon. Mr. Brunelle:** Not necessarily. Take, for instance, the question of education. I hesitate to mention this with the hon. member from Windsor here but there is, as you know, the question of a French-language high school in Windsor. I've been involved in that in the sense that l'Association Canadien Française de l'Éducation presented its annual brief to the social policy field on, I think, March 11. The delegation from Windsor was there and since then I've had representations made to me by groups of francophones from Windsor.

I've also had representations from Sturgeon Falls, from my own area, from Ottawa, from various sources.

This is an area where I have been asked to assist and I have been pleased to assist. If the Ministry of Health would ask for my services I would be pleased to assist. It is just a question of being asked, though I don't impose myself on the Ministry of Health with reference to the matter you have raised.

[9:30]

**Mr. R. S. Smith:** No, I just raised that as an example. I agree with you that your involvement perhaps in the development of a French language high school in Windsor is significantly important, and I hope you are successful without all the troubles you have had elsewhere in the province. Your involvement was negligible in my area at least, as your whole government's was, but we won't get into that.

I would just like to speak to you about the development of that group which is looking into Franco-Ontarian health services in the province. I feel this should be perhaps



one of your main responsibilities. I ask you if you realize that when that committee was appointed, it was appointed on the basis that it was to look at the delivery of health services to those people in their language? The first meeting of the committee was held and they all threatened to resign because your government offered them a room but no secretariat and nothing in the way of services. They were just put in a room and told to talk. The first thing they did was threaten to resign unless they were provided with some professional services.

There, I feel, is an area where you in particular should be involved, as a representative of Franco-Ontarians in the cabinet. Many people might disagree with me on that basis, but I would suggest to you that the Franco-Ontarians look to you for that type of leadership and that type of assistance in the cabinet. That ministry treated those people as though they were about fourth class citizens in this province when they first met. They had to threaten to resign before they even got an amount of money set aside for the operations of their committee, and I find this very significant.

It was all well and good to make the announcement that this committee would be appointed and that it would do great things in looking into this thing, but it wasn't going to be given any of the tools to work with. I would suggest to you that that is one of the areas where I feel your position as "deputy" minister, insofar as that part of it is concerned would be very significant. I would like your comment on that.

**Hon. Mr. Brunelle:** Mr. Chairman, if I am approached, as I said earlier, I would be pleased to assist. This is the first time I have heard the committee had difficulty in finding suitable quarters.

**Mr. R. S. Smith:** It was more than quarters.

**Hon. Mr. Brunelle:** If I don't know about something, I can't do much about it.

**Mr. R. S. Smith:** I would suggest to you then that you don't have a very close association with the French-speaking groups in the province if you haven't heard about that.

**Hon. Mr. Brunelle:** Tell them to get in touch with me and I will do what I can.

**Mr. R. S. Smith:** I have heard about it and I am sure many others have heard about it as well. My association is perhaps as close as yours, maybe not quite, but it is close. I really feel that since we do not have a cabinet minister who is a Franco-Ontarian, a

full cabinet minister, and since you have taken on the position that you have at the present time, your involvement insofar as the Franco-Ontarian is concerned should be much more active than it is, and you should be involved before you are asked and not wait to be asked. It is a question of policy within the government as to what jobs you are actually given. Would you not agree with me that you should be given that type of role?

**Hon. Mr. Brunelle:** As far as bilingualism is concerned, Mr. Chairman, I certainly feel that more should be done and I would be glad to assist. If the Premier assigned me any special responsibilities in that area, I would be pleased to accept.

**Mr. R. S. Smith:** Well I look at it as far more than bilingualism, but that's another question. I would suggest then that your position, as far as I am concerned, should include full responsibilities in that area overriding the different ministries, and that you can be involved without being asked in ministerial activities as far as the Franco-Ontarian population is concerned. I will just stop with that.

**Hon. Mr. Brunelle:** I don't want to prolong this, but using your example of the committee looking into health services for the French-speaking population, that committee was appointed by the Minister of Health (Mr. F. S. Miller). They appointed the chairman and the members. They toured the province. At no time was I consulted in any of this.

**Mr. R. S. Smith:** I am suggesting to you that it should be part of your job that you are consulted. That is the point I am making really.

**Mr. Angus:** I would like to start off by clarifying the amounts that are actually expended by the two ministers without portfolio. Mr. Henderson, are you totally aware of the exact amount within a thousand dollar range of how much your Ministry without Portfolio expends?

**Hon. Mr. Henderson:** Yes.

**Mr. Angus:** Could you give us that figure, please?

**Hon. Mr. Henderson:** Are you ready to check them out? It is classified staff, \$24,000; unclassified, \$44,000 for a total of \$68,000; employees' benefits, \$4,000; transportation and communication, \$10,200; services, \$14,900; supplies, \$10,000 and personal salary, \$7,500.



**Mr. Angus:** That is your personal salary?

**Hon. Mr. Henderson:** Yes.

**Mr. Angus:** Without your personal salary, just so I don't have to add it up, I assume you have the total there. What is the amount?

**Hon. Mr. Henderson:** No, I don't, but \$7,500 off \$114,000 is \$107,100.

**Mr. Angus:** Well, our math is \$200 out. That's good, and obviously from the quick math I can calculate the amount for the Hon. Rene Brunelle.

The concern I have, and I will follow through with some of my comments, is that from the notes that my colleagues, Mr. Davison, has provided me with, that specific staff amounts to a total of \$35,100; Mrs. Dunn, Mrs. Dean and Miss Smiley, is it?

**Hon. Mr. Henderson:** Are you asking me what was allotted or what am I spending?

**Mr. Angus:** There is a difference?

**Hon. Mr. Henderson:** Yes.

**Mr. Angus:** Yes. I would like the difference, please. First, the total that you were allotted.

**Hon. Mr. Henderson:** I was allotted \$44,000 for unclassified.

**Mr. Angus:** I would like a total for staff, services, transportation and communications, supplies; the whole bit, every dollar and cent you spend.

**Hon. Mr. Henderson:** Less my salary.

**Mr. Angus:** Yes, not including your salary because as far as I understand it, that comes within a different vote.

**Hon. Mr. Henderson:** Right. My mathematician tells me that it is \$107,100.

**Mr. Angus:** That was what was allotted to you?

**Hon. Mr. Henderson:** Yes.

**Mr. Angus:** And you anticipate spending how much? Do I understand because of the discussion that there is some discrepancy between the figures that you have, Mr. Henderson, and the figures of the minister?

**Hon. Mr. Henderson:** The minister points out to me it is \$105,600.

**Mr. Angus:** Three different mathematical answers.

**Hon. Mr. Henderson:** This was supplied to me by the minister's staff.

**Mr. Angus:** My colleague from Beaches-Woodbine agrees with my figures of \$106,900 from the figures that you have read out. I think at this point in time, if I may, the amounts of \$200 or \$2,000 are not what concerns us here tonight. I would wait for a future moment when the minister or the Minister without Portfolio will provide us with a audited statement.

To a certain extent I would like to follow through on that. You were saying, Mr. Henderson, about how much you actually intended to spend?

**Hon. Mr. Henderson:** I suggest that my present staff is \$48,932, plus the part-time staff that I have.

**Mr. Angus:** And the total for that?

**Hon. Mr. Henderson:** For the part-time?

**Mr. Angus:** The total for the two, plus the transportation and communications, services and supplies.

**Hon. Mr. Henderson:** The total for my driver, Doris Dunn, Doris Dean and Mary Smiley, \$48,932.

**Mr. Angus:** Sir, with all due respect, that's not the figure I'm looking for. You stated that within a discrepancy of about \$2,000, you have allocated or have been allocated \$107,100.

**Hon. Mr. Henderson:** Oh, I'm sorry.

**Mr. Angus:** You said that you may not spend that much, or I guess if I interpret it differently, that you may spend more. I would like your figure.

**Hon. Mr. Henderson:** I thought you were asking me about staff.

**Mr. Angus:** No. At this time I'm talking about the total amount.

**Hon. Mr. Henderson:** All right. All I have committed at this moment is \$48,932. There's the employees' benefits. You know I don't have track of that. That is taken care of by the pay office. Two of my secretaries are covered through their husbands, one on the staff and a driver.

**Mr. Angus:** I'm sorry, Mr. Chairman. I think we're off the track.

**Hon. Mr. Henderson:** I'm not trying to be evasive either. I'm trying to help you.



**Mr. Angus:** You don't have a total? You have suggested to me that the figure you anticipate spending is different from the \$107,100 that you conveyed to us just a few minutes ago. That's the figure I'm looking for.

**Hon. Mr. Henderson:** The figure I am committed to at the moment for staff?

**Mr. Angus:** No, no; forget about staff. I'm talking about the total number of dollars and cents that you intend spending.

**Hon. Mrs. Scrivener:** Excuse me, Mr. Chairman, I would like to clarify something here. The estimates before us are in the total amount of \$226,200. Of that portion, the amount we have in the estimates for Mr. Henderson for the total cost, less his salary, which is a statutory item, is \$105,600.

**Mr. Davison:** Did you itemize that; because the itemization that you have given comes out to \$107,100.

**Hon. Mrs. Scrivener:** It's under classified, and it's \$24,000; contract, \$44,000; total salaries, \$68,000; employee benefits, \$4,300.

**Mr. Davison:** We were just given \$4,000 but it's \$4,300?

**Hon. Mr. Henderson:** I have \$4,000.

**Mr. Davison:** Okay, so \$4,300 instead.

**Hon. Mrs. Scrivener:** Other costs, \$33,300.

**Mr. Davison:** That \$33,300 includes transportation and communication services, supplies and equipment? Is the proper breakdown \$10,200 for transportation and communication; and \$14,900 for services?

**Hon. Mrs. Scrivener:** I don't have that particular breakdown.

**Hon. Mr. Henderson:** Wait a minute. There it is and it's \$9,600. I gave you \$10,200. I made that statement.

**Mr. Davison:** Yes, you gave us \$10,200 for transportation and communications.

**Hon. Mr. Henderson:** I did. And mind you, mine's in here in ink. I don't mind showing you what was presented to me. I've taken them off the top row.

**Mr. Davison:** I'm sorry, Mr. Henderson, what was presented to you?

**Hon. Mr. Henderson:** It was presented to me by the minister's staff at the time of the estimates. I don't have the printed copy the minister has.

**Mr. Angus:** Mr. Davison, are you saying that what Mr. Henderson was presented with was incomplete?

**Mr. Chairman:** Order, please. Mr. Angus, would you direct your question through the Chair?

**Mr. Angus:** Okay. Aside from the figures as presented, Mr. Henderson, you did state to us in the total picture, whether it's \$107,100 or \$105,000 or whatever, that you really weren't sure what you were going to spend. You intimated to me that it was either going to be less or more, but that it wouldn't reach that mark. I would like you to explain that to us.

**Hon. Mr. Henderson:** I felt I had explained it. At the moment I'm not in need of an executive assistant.

**Mr. Angus:** Oh, I'm sorry, okay. In our discussion you didn't say that.

**Hon. Mr. Henderson:** Let me clarify, might I, Mr. Chairman, the discrepancy between the Minister of Government Services and I?

**Mr. Chairman:** Certainly, Mr. Henderson.

**Hon. Mr. Henderson:** Can I make this clear? Here are the figures I have. I read off to you the figures that were last year's, \$114,600. This year it's \$113,100, I'm sorry. Now take \$7,500 off the \$113,100. Again, this was just brought over to me by the staff at the time of the budget and I don't have the printed copy the minister has.

**Mr. Davison:** I think you are now agreeing with the minister. So in totals you agree, but in specifics you disagree on your two sets of lists.

[9:45]

**Hon. Mr. Henderson:** One hundred and thirteen thousand, one hundred. That includes my salary.

**Mr. Davison:** Right. That equals \$105,600 that the other minister gave us.

**Hon. Mr. Henderson:** But here is—my secretary put it down, probably the top line instead of this line.

**Mr. Angus:** What was the amount that was budgeted for your executive assistant?

**Hon. Mr. Henderson:** Classified staff is \$24,000.

**Mr. Angus:** Is that your executive assistant?



**Hon. Mr. Henderson:** Under classified staff, I only have my driver, so there is a surplus there of some \$10,000.

**Mr. Angus:** I'm sorry, how much.

**Hon. Mr. Henderson:** Hardly ten. If you are going to get specifics, my driver gets \$13,832.

**Mr. Angus:** But in a full year, what would an executive assistant to a minister without portfolio receive?

**Hon. Mr. Henderson:** The executive assistant that I had appointed earlier was getting \$15,000.

**Mr. Davison:** Fifteen thousand. Okay, I'd like to move on and I'd like to refer to—

**Hon. Mr. Henderson:** Well did I clear up that discrepancy that I caused earlier?

**Mr. Angus:** Yes, you did, sir.

**Hon. Mr. Henderson:** Okay, fine.

**Mr. Angus:** At least as far as I see it at the moment. In your statement that you read to us earlier, and presented—and I'm grateful for the written copy because it enables us to take a look at it much more fully—you, and I quote, say that you, "attend each meeting of cabinet and participate in the full discussion of all government policy issues and legislation."

Aside from the fact that you are a member of the government of the day, do you not feel that every member of this Legislature, and in particular the so-called—and there are a few of them—back-benchers of the Conservative Party, do also participate in discussion of government policy issues and legislation in the forum that we call the Legislature of Ontario? Is it not true that the majority of the members of this Legislature do not receive either extra remuneration or extra support staff to enable them to do so? How can you justify the expenditures that are allotted to you in order that you may participate in these discussions?

**Hon. Mr. Henderson:** I would suggest I have answered all of your questions in my statement.

**Mr. Angus:** Well, I would suggest, with all due respect, sir, that you haven't.

**Hon. Mr. Henderson:** That's an honest difference of opinion.

**Mr. Angus:** I think it's a little bit more than that, sir.

I would also suggest that parliamentary assistants of the government of the day also participate, through their respective responsibilities, in discussions of government policy, issues and legislation. In terms of providing discussions, and particularly as a result of your responsibility as a full member of the resources development committee of cabinet, you are in contrast to the situation most members find themselves in, particularly of the Liberal or New Democratic Party, of having to rely on a very small research staff or their own initiatives to evaluate every piece of legislation or every government document that comes across our desks. Yet you, as a member of the government of the day and the Minister without Portfolio, have reams of civil servants to assist you in that kind of evaluation; and really, with all due respect, I think it's the civil servants who affect your evaluation more than anything else.

It makes me wonder about the whole resource and development committee. You've talked about doing co-ordination, yet in my estimation, and the estimation of a number of my colleagues, the minister—super-minister if I may use that expression—of resources and development is the one responsible for that co-ordination. I could possibly see it if you were a parliamentary assistant to that minister as opposed to a "roving" minister of sorts to assist them in that kind of responsibility. I can't buy it. I would appreciate your comments.

**Hon. Mr. Henderson:** I would suggest I have answered your comments in my statement. It is a matter of your opinion against the opinion of the Premier (Mr. Davis).

**Mr. Angus:** With all due respect, I don't think it's a difference of opinion with the Premier, I think it's a difference of opinion with you—or possibly with the Premier through you.

**Hon. Mr. Henderson:** You are entitled to your opinion.

**Mr. Angus:** In your statement again, you stated that you met with delegations. I don't think there is any member in this room or in the Legislature of Ontario, no matter what party, who has not met with delegations—whether they be labour, recreation, culture, business, industry or what-have-you. In fact our leader, Stephen Lewis, is known for his visits with chambers of commerce and real estate boards and so forth. I may suggest, sir, that Stephen has more of those visits these days than you do.



**Mr. Johnston:** Isn't that political?

**Mr. Lewis:** They don't come to me, Bob, I go to them.

**Mr. Angus:** I want to know how you can justify the extra remuneration to meet with these delegations, when as a member of the Legislature you have a responsibility to meet with every group that requests such a meeting.

**Hon. Mr. Henderson:** Mr. Chairman, I have placed my statement before the committee—

**An hon. member:** It looks like the fifth amendment.

**Hon. Mr. Henderson:** —and I have answered the hon. member through that statement.

**Mr. Angus:** Mr. Chairman, the statement that I find most ludicrous is on page 5, second paragraph: "Finally, my job has included representing the government and various ministries in meetings and discussions with various groups."

Actually, that isn't what I was going to refer to. However, I would like you to name the various public groups that you have met with as a representative of the government of Ontario in the past—and I will give you a little leeway—in the past five months, instead of since September 18?

**Hon. Mr. Henderson:** Mr. Chairman, these groups met with me at their request and it is confidential cabinet—

**Mr. Angus:** Mr. Chairman, following up on that, why did those groups decide to meet with you, the Hon. Lorne Henderson? What inspired them to do so? Was it a direction from the Premier or cabinet or another member of cabinet or a member of the Progressive Conservative Party represented in the Ontario Legislature?

**Hon. Mr. Henderson:** Some meetings were at the request of the Premier, some were at the request of individual cabinet ministers; a great number of them were at the request of the people involved, who requested a meeting with me.

**Mr. Angus:** I am most impressed with your public relations campaign.

**Hon. Mr. Henderson:** It is no public relations campaign. It's people who had a message to convey to the government and they conveyed it through me.

**Mr. Angus:** Why then did they choose you? Why didn't they go direct to the Premier of Ontario?

**Hon. Mr. Henderson:** You will have to ask them.

**Mr. Angus:** Unless you give us a list of the people, we're not in a position to ask them, are we?

**Mr. Lewis:** Can you name one group, Lorne, just one?

**Hon. Mr. Henderson:** The morning following the meeting of the rural municipalities, I met with two different municipal councils in the Royal York that morning.

**Mr. Angus:** Who?

**Hon. Mr. Henderson:** No, I don't plan on giving you that. But I met with two municipal councils. I don't mind telling you out of one council's five members, three of them admitted openly they were of the Liberal persuasion.

**Mr. Angus:** That's not a persuasion.

**An hon. member:** Was that before the meeting or after?

**Hon. Mr. Henderson:** No, during the meeting, during our conversation.

**Mr. Lewis:** Three Liberals and two New Democrats.

**Hon. Mr. Henderson:** I might say we didn't hold the riding.

**Mr. Angus:** Oh, that's a very good point. I think some of the other members in the committee have alluded to it. How many of the delegation—

**Hon. Mr. Henderson:** I had two that morning, one at 8 o'clock and one at 9 o'clock; two different municipal councils.

**Mr. Angus:** Okay, that's fine, Mr. Chairman. I'm just wondering, of all the various meetings you have undertaken on behalf of the Premier and cabinet ministers and by special request of the citizens involved, how many of those are from ridings which are presently occupied by sitting members of the Conservative Party?

**Hon. Mr. Henderson:** It would have to be a rough guess. I would think three-quarters of the meetings were held by members of the two opposition parties.

**Mr. Angus:** Three-quarters?

**Hon. Mr. Henderson:** Yes.

**Mr. Angus:** Can you suggest to this committee, first of all why that would be; and



secondly, how they came to know the name of Lorne Henderson and to communicate with you directly?

**Hon. Mr. Henderson:** You would have to ask the—

**Mr. Angus:** You're not prepared to tell us, are you?

**Hon. Mr. Henderson:** You would have to ask the people who requested the meeting.

**Mr. Angus:** Possibly through the press; we'll let the public make that decision.

The item I was going to raise a few minutes ago before I flipped over one page too many is the statement and I quote, "I am providing more information than does the federal government." I'm sorry but I never thought you would be an apologist for the federal government, the Liberal federal government. I thought that in Ontario there would be a much stronger sense of sharing information than we've seen elsewhere in this country. I'm very displeased with that kind of situation.

**Hon. Mr. Henderson:** If you follow that same statement through, you will note you don't learn much of any committee work within the federal cabinet.

**Mr. Angus:** That's very interesting indeed.

**Mrs. Campbell:** The Commons learns what they do, a lot more than we do here. It's a matter of public knowledge.

**Mr. Lewis:** Come on, Margaret.

**Mr. Angus:** Let me leave that one. Possibly some of my other colleagues will follow up on that.

Another item—unfortunately I anticipate the same weak or irresponsible answer—I quote from page 4, your responsibilities regarding the work of cabinet and cabinet committees: "It is necessary to review beforehand each policy paper and each proposal for legislation so that I may be prepared to make proposals for changes and improvements." I have two questions on this—or one question and one statement.

First of all, there is not a member in this room, whether he is Conservative, Liberal or New Democrat, who does not review policy papers or legislation as presented to the Legislature of Ontario; who does not make some kind of input to his caucus either by agreeing or disagreeing with the stand or suggesting modifications. The question I have is: Have you ever seen a change brought about in legislation because of your input?

**Hon. Mr. Henderson:** Several.

**Mr. Angus:** Several? Could you name them, please?

**Hon. Mr. Henderson:** No.

**Mr. Angus:** You don't want to be counted out there in the Province of Ontario as having made this monumental move?

**Hon. Mr. Henderson:** No, that's within the confines of cabinet.

**Mr. Angus:** You mean you didn't put out a press release to your own riding saying you did this or you did that?

**Hon. Mr. Henderson:** I've answered your question.

**Mr. Gregory:** On a point of order, Mr. Chairman. I think the hon. member knows very well that the minister cannot divulge what he has discussed in cabinet. You should know that, Mr. Angus.

**Mr. Angus:** No, sir, I'm sorry, but I do not.

**Mr. Gregory:** You had better read your rules. I think there is a certain amount of privilege in cabinet.

**Mr. Johnston:** You had better try to find out what goes on around here.

**Mr. Angus:** That is what I'm trying to do.

**Mr. Chairman:** Order, please.

**Mr. Samis:** It's a long hard way of doing it.

**Mr. Chairman:** Anything further, Mr. Angus?

**Mr. Angus:** Yes. In the final comment on the last page of your statement you say you estimate you spend at least 40 hours per week on cabinet business alone, over and above the heavy responsibility which we all bear as private members. Again, I suggest that because you happen to be part of the government of the day, cabinet responsibilities or whatever responsibilities you have are part of your responsibility as a member of the Ontario Legislature.

[10:00]

I think it is a true abuse of the financial situation of the province to provide extra remuneration plus staff—and I think that staff is what we are talking about—for work that is your responsibility. I know a number of our members—I would say every member of the New Democratic caucus—spend many hours doing work that could be construed as not



part of the "responsibilities of a member," that is legislative. I would respectfully suggest that you do not have a situation that requires you to be paid, or to receive extra staff, to do those kind of functions; and may I also respectfully suggest, that the New Democratic Party caucus will be examining the proceedings tonight, in respect to a reduction of the amount provided under this vote to the Minister without Portfolio, the Hon. Lorne Henderson, in order to reduce the amount spent to possibly provide for additional moneys for daycare centres, nurses, medical services, what have you, and that at the next meeting of this committee—because I'm anticipating this will not be this minister's sole appearance here—that we will be coming back with a statement from our caucus. Thank you, Mr. Chairman.

**Mr. Chairman:** Any comments, Mr. Henderson?

**Hon. Mr. Henderson:** No comments.

**Mr. Chairman:** For the information of the committee, I know some of you might be wondering in what order you're to be called on. I'll just give you the list of names I have so you're aware of your position. Mr. Johnston, Mr. Ruston, Ms. Bryden, Mr. Norton, Mrs. Campbell, Mr. Samis, Mr. Lane, Mr. Davison and Mr. Drea.

**An hon. member:** It might go beyond that.

**Mr. Chairman:** Mr. Johnston.

**Mr. Johnston:** Mr. Chairman and the members of the committee, I had what I really wanted to say and I got up and made the point; and got it across, I'm sure, in no uncertain terms, quite some time ago, but I will just enlarge on that. I have sat around a few meetings, in my day, here in Queen's Park, Lincoln county, St. Catharines, and what have you, at all levels.

I have never; I have never, never ever—if you don't want to listen to me, leave the room. I have done that in my day at the head of a council too, removed people like you.

**Mr. Makarchuk:** Bodily?

**Mr. Johnston:** Mr. Chairman, with respect, I would like to be heard without interruptions. If they don't like what I have to say, then they can take me on afterwards.

**An hon. member:** You're interrupting yourself.

**Mr. Johnston:** Oh no, this fellow never interrupts himself. The people know where he stands.

Interjections.

**Mr. Chairman:** Order, please. Mr. Johnston, would you continue and address your remarks to the Chair?

**Mr. Johnston:** I will, sir. I have never seen such a performance in all my service to people. It totals up to 37 years, and I'd assume that's before some of you people were born.

**An hon. member:** True.

**Mr. Johnston:** It just puts me in mind of what used to go on around Bird's Eye Centre, talking about the politics; the grammar; whether the man is bilingual or not; or whether he serves that area or not. What you have been purveying to these two ministers, supposedly without portfolio—

**Mr. Wildman:** Supposedly.

**Mr. Johnston:** In my firm opinion, they do as much, and possibly more, than some ministers with a portfolio.

Interjections.

**Mr. Lewis:** On a point of order. I want to challenge you to name those ministers.

**Mr. Johnston:** I'll name any minister who's not doing his job.

**Mr. Lewis:** Which minister are you accusing of being no good?

**Mr. Johnston:** I'm saying they are possibly doing as much and more than some ministers—

**Mr. Lewis:** Do you mean Margaret Scrivener, is that what you mean?

**Mr. Johnston:** I could mean her; I could mean anyone.

**Mr. Lewis:** I know you could.

**Mr. Johnston:** I didn't mention any names.

**Mr. Lewis:** I can believe it, but I want to hear it.

**Mr. Davison:** Let's see the black list.

**Mr. Johnston:** But these two men, these two ministers, are serving people.

**Mr. Lewis:** How about the other ministers?

**Mr. Johnston:** And so do they, but they are giving their service to the people at their



level, where they're called upon, as every member—

Interjections.

**Mr. Johnston:** —as every member of this committee is called upon, as you were elected to serve people.

**Mr. Wildman:** That's true, but we don't get any extra cash for it.

**Mr. Johnston:** That is true. I don't get a five-cent piece extra, that's right—no way—but I'm not screaming about it. A lot of people here tonight would maybe like to sit as a minister without portfolio if and when you ever make that grade, but I doubt if you ever will. It would be comical to see then what kind of a cabinet we might have, I'll tell you that.

The politics adds up to just this, every one of us are politicians. We're called on to meet delegations, locally here and what have you. The amount of money involved here, I'm conscious of a dollar bill as much as anyone in this room, but what we are talking about here tonight is just picayune.

It's playing politics by the sound of the speakers here, both Liberal and the NDP. Maybe you'll hit the press questioning a \$100,000 expenditure on the part of one minister or another minister. It's just picayune what we have been talking about here. We have wasted more taxpayers' dollars sitting around here tonight. I'm not being paid extra for being here, but you're paying staff who would have been far better off home having a rest tonight and turn the power off.

Interjections.

**Mr. Johnston:** I'm not being paid extra, no.

Interjections.

**Mr. Chairman:** Order, please.

**Mr. Johnston:** Listen, my friend—

**Mr. Chairman:** Order, please. I just wonder, Mr. Johnston, if you do have any questions for the minister?

**Mr. Johnston:** I'm not asking any questions of the minister. I'm in here in support of both those ministers there.

**Mr. Makarchuk:** You mean you're of the same party?

**Mr. Johnston:** As I said just a few minutes ago, they are doing a service to people all over this province. As far as I'm concerned

you can vote on their expenditures tonight, and I'm for it.

**Mr. Makarchuk:** Doing it to people or for people?

**Mr. Johnston:** They are for people. Aren't you for people? The way you're talking tonight you're not.

**Mr. Chairman:** Thank you. Next is Mr. Ruston.

**Mr. Ruston:** Thank you, Mr. Chairman. It's rather interesting discussion here at times, but sometimes not so interesting. However, I would think in Mr. Henderson's case, his is a position that I think Mr. John White held previously, and I think the minister himself stated that probably 50 per cent of his work was political. I would be inclined to think it might be a little more, but that's a matter of opinion, I'm sure.

**Hon. Mr. Henderson:** Wait a minute, Mr. Chairman. I stated 50 per cent of my trips out to meetings could be considered political, not my work here.

**Mr. Ruston:** Yes, well I said half political.

**Hon. Mr. Henderson:** Half of my trips out.

**Mr. Ruston:** Yes. All right, fine. You mentioned being in Essex at the opening of our new country civic centre there. You mentioned it, so I'll follow it up if I may, because I think my name was mentioned at the time.

In your remarks that particular day you mentioned myself as well as the new member for Essex South (Mr. Mancini), but the interesting part of it, if I recall your statement correctly, was that you were invited by Mr. Klees who was the defeated candidate in the last election. I wondered at that time if that was quite correct. I'm sure the county officials would have invited you. I'm not questioning that Mr. Klees may have invited you as well, but when you state that, then I'm wondering if, in effect, you're representing the government, which is your official position, you were representing the Premier that day—and well might someone be there representing the government; I agree they should. On the other hand, the politics come in with regard to the statement I heard you make; so, in a way, I think you defeat the purpose of your official job when you do that. I think you belittle your job as a member of the cabinet; you're a minister without portfolio, but you're still a member of the cabinet.



I would assume, if you were going to represent the Premier or someone in the cabinet, that you would be very careful to avoid the possibility of being political. It seems to me the public would expect that. I am sure they realize that politics is politics, of course, but on the other hand, if you are representing the government, then I think it behoves you to act as an impartial representative. I think that's understandable; I think we all agree to that.

It was interesting at that particular function to note that certain amounts of money were being supplied by senior levels of government and that some people were confused as to what level of government the money came from. My understanding was that the federal government supplied \$500,000 or a large amount like that to pay for part of the building through the incentive programme. That money, of course, has to be directed through the province, but I notice that there is a certain amount of money passing through the province, and the province naturally likes to take a fair amount of credit for it. On that particular day, though, as I recall, Mr. Whelan, who was representing the federal government, got his point across; maybe he was trying to look after their participation in it.

**Mr. Makarchuk:** But his presence was provincial, of course.

**Mr. Ruston:** But that really shouldn't be necessary, because the funds for this particular building came through the federal government, although all those negotiations have to be done at the provincial level because the municipalities cannot negotiate with the federal government without going through the province. I thought, since you mentioned that particular opening, that I would just enlarge on it.

It's pretty difficult, I suppose, for an individual to know what—you say you have 75 letters a week; I suppose there are some members here who get that many. I don't know whether Bernie Newman is around, but sometimes I think he gets that many. Anyway, it sometimes seems like that I am sure. In these requests, are you called upon to make representations to the cabinet or to cabinet ministers? In some cases, I suppose people feel that you have more of an inside track than the sitting member; since you are on the government side, naturally they like to think that would help. Maybe that is one reason why they come to you, thinking that you have the ear of the Premier or the ear of the cabinet. But I have to believe, after

listening to you tonight and seeing your statement, that your staff does a great deal of this work.

I am sure that in many eyes it's strictly political, but I have no way of knowing for sure; after all, we don't see the mail and we don't know, in effect, what is going on. I can't help but think, though, that the majority of it is or has to do with political actions in some way.

Anyway, I feel that although I am not completely satisfied with the operation of it and so forth, I am satisfied to the point that I appreciate the ministers came here and allowed these questions, because I am sure it has been enlightening to many of us. I am satisfied that our motion that we put the other night was proper and that the ministers responded the way I expected they would. I appreciate them for that and I thank them.

[10:15]

**Hon. Mr. Henderson:** Mr. Chairman, might I respond to one or two points of Mr. Ruston with respect to my visit to Windsor? It is interesting that the Minister of Education (Mr. Welch) should walk in just about the moment that you were commenting on that visit. I received a call from Mr. Frank Klees, whom you mentioned, who had been approached by the board of education, as I understand it. This is the message he gave me over the phone—to request that I attend on behalf of the government. The next day I was talking to the Minister of Education. He informed me he had been there the week before and requested that I take his good wishes along on that visit. He was not going to be able to be there. Mr. Klees' was the only official letter that I had to that invitation.

**Mr. Ruston:** You were not invited by the town administration—

**Hon. Mr. Henderson:** Not as I remember.

**Mr. Ruston:** —the county administration or the—

**Hon. Mr. Henderson:** Wait a minute, I want to go a step further. I also had an invitation, verbally, from a fellow by the name of Fred Kadar, whom I believe you have met on one or two occasions.

**Mr. Ruston:** Oh yes. Good fellow. Fred is a good fellow.

**Hon. Mr. Henderson:** Not good enough though for the voters.



**Mr. Ruston:** Fred and I get along fine.

**Hon. Mr. Henderson:** I had a verbal invitation, but as I remember—

**Mr. Ruston:** Well, as long as he stays in third place in each election, I have no objections. Fine fellow. No, Fred is a good fellow. I have known him on the county council—

**Hon. Mr. Henderson:** As I remember—I wouldn't want to take an oath that I didn't have an official invitation—the only official invitation, as I remember, was firstly, a phone call from Frank Klees, and, secondly, confirmed by a letter.

**Mr. Ruston:** Thank you.

**Hon. Mr. Henderson:** Was there another point that you asked about, Mr. Ruston?

**Mr. Ruston:** No, I don't think so.

**Hon. Mr. Henderson:** You didn't ask anything.

**Ms. Bryden:** Mr. Chairman, both of the ministers without portfolio have given us quite a list of what keeps them busy from 9 to 5, or 9 to later, but I am particularly interested in Mr. Henderson's mention of special assignments by the Premier which he says "I may be given." Could Mr. Henderson indicate to us what sort of special assignments he has had since he took on this portfolio?

**Hon. Mr. Henderson:** I missed your last three words.

**Ms. Bryden:** What sort of special assignments has the Premier assigned to you since you took on this Ministry without Portfolio?

**Hon. Mr. Henderson:** Number one, the policy field; number two, the committee accelerating the work of the House. Then there have been several delegations that I have met with, at the request of the Premier. I have attended many functions at the request of the Premier.

**Ms. Bryden:** But you haven't had any other assignments, beyond meeting delegations and serving on these committees that you have mentioned?

**Hon. Mr. Henderson:** I am not sure what you are referring to as assignments. These are two days a week of assignments, every week.

**Ms. Bryden:** Well, if a special problem came up in one part of the province—

**Mr. Makarchuk:** You do a lot of homework.

**Hon. Mr. Henderson:** There are two days every week.

**Ms. Bryden:** —have you been sent out to look into a special problem, of any sort, that the Premier wants information on?

**Hon. Mr. Henderson:** Yes, I have. Right now I will be reporting tomorrow to cabinet on a special assignment that he sent me to investigate. Last Wednesday he requested it of me.

**Ms. Bryden:** Are you able to give us any information on the nature of any of these sorts of special assignments that you have made an investigation on?

**Hon. Mr. Henderson:** No, Mr. Chairman. I believe this is within the confines of the walls of cabinet.

**Ms. Bryden:** Is part of your job making out applications for scrolls for 90-year-olds' birthdays around the province?

**Hon. Mr. Henderson:** The only scrolls that I take care of are the scrolls in the riding of Lambton and any others for which I happen to get a letter requesting a scroll.

**Ms. Bryden:** Perhaps that was the reason why, with the scroll that I presented on Sunday to a 90-year-old birthday person in my riding, the application was signed by Lorne Henderson.

**Hon. Mr. Henderson:** Was it? If it was, maybe it was somebody I know personally.

**Ms. Bryden:** The person didn't know how your name had been connected.

**Hon. Mr. Henderson:** What was the name? Maybe I can help you if you tell me their names. Can you tell me their names?

**Mr. Makarchuk:** He's been asking for a long time.

**Hon. Mr. Henderson:** Could you tell me their names? Maybe I could help you.

**Ms. Bryden:** Mrs. Lillian Thompson.

**Hon. Mr. Henderson:** Mrs. Lillian Thompson? No, I can't answer you off the top of my head.

**Ms. Bryden:** A very fine resident of my riding.

**Hon. Mr. Henderson:** I would expect someone from my riding is a son or a daughter.



**Ms. Bryden:** I would just like to ask the minister if he could tell me what services he contributes to the Ministry of Government Services.

**Hon. Mr. Henderson:** I would have to suggest that I have not represented, as I said earlier, the Minister of Government Services on any occasion.

**Ms. Bryden:** I would like to ask the same question of Mr. Brunelle. Have you done any work for the Ministry of Government Services?

**Hon. Mr. Brunelle:** Not to my knowledge.

**Ms. Bryden:** Well, under this vote, the programme description says, "This programme provides the ministry with administrative support services. It utilizes professional expertise to assist the ministry to meet its operating objectives in a co-ordinated manner . . ." How can the minister of this department justify the inclusion in her estimates of \$226,000 for work when no work is done for her ministry for this \$226,000?

**Hon. Mrs. Scrivener:** I think I made it clear at an earlier session of this committee. I don't think the member was present at that time. I provide the support services for these ministers without portfolio but they do not report to me directly. I have no responsibility for their direction.

**Ms. Bryden:** It seems almost as though, Madam Minister, someone has sort of, if you go back in natural history, dropped a couple of chicks in your nest for which you—

**An hon. member:** That's a big chick.

**Ms. Bryden:** —are not responsible in any way.

**Mr. Makarchuk:** I would say one would be more like a gander.

**Mr. Chairman:** Order, please. Ms. Bryden has the floor.

**Ms. Bryden:** But we are asked to vote money for this ministry for services that are not contributed to this ministry. I wonder why these amounts, if they are justified, which I very much doubt, are not under either the cabinet office or the Premier's office. It may be that since those two offices total \$2.5 million now, they would perhaps be embarrassed if they added another quarter of a million to them. Perhaps it was thought that this wouldn't be noticed as much in the Ministry of Government Services.

**Hon. Mrs. Scrivener:** Mr. Chairman, the member read the programme description but didn't read it all. She stopped short of the phrase, "and includes funds for ministers without portfolio." It does not suggest that the ministers without portfolio have a responsibility within my ministry. However, I think the member has touched on a very good point. As I said at an earlier session of this committee, the Premier has the prerogative to appoint the ministers without portfolio to the executive council and he assigns them their duties. They report directly to him. I did suggest to the members of this committee earlier that either they should approve this item in the budget or stand it down. They should then discuss this matter with the Premier in the Legislature, and the committee has the authority to do that.

**Ms. Bryden:** Yes, Madam Minister, you are quite correct that I didn't read all of the programme description. However, the words "and includes funds for the ministers" could be read in the context that these ministers were still contributing to the functions of the Ministry of Government Services. I think the programme description really should be rewritten if part of the programme is to provide support services for ministers without portfolio.

There is one other area I would like to ask about, the 75 letters a week on cabinet related business. Could Mr. Henderson tell us if these letters are addressed to him and could he give us some idea of what sort of subjects they deal with?

**Hon. Mr. Henderson:** They deal with a very wide variety of subjects. Yes, they are addressed to me, personally.

**Ms. Bryden:** But they are from all over the province?

**Hon. Mr. Henderson:** Yes.

**Ms. Bryden:** Could you give us some idea of the subjects that they cover?

**Hon. Mr. Henderson:** I think I suggested earlier to Mr. Bullbrook that any issue we get letters on—

**An hon. member:** Highways?

**Hon. Mr. Henderson:** Highways, yes. I suggested to Mr. Bullbrook the Clinton hospital was an example. Such issues as these; peoples' concerns and suggestions respecting government's activities.

**Ms. Bryden:** But every private member gets those kinds of letters.



**Hon. Mr. Henderson:** From all across the province?

**Mr. Davison:** Yes.

**Hon. Mr. Henderson:** At the rate of 75 letters a week?

**Ms. Bryden:** It is hard to believe that is cabinet-related.

**Mr. Foulds:** Could I just follow this up very quickly?

**Mr. Chairman:** Order, please. Ms. Bryden has the floor.

**Ms. Bryden:** I think that's the conclusion of my questions.

**Mr. Chairman:** Thank you. It is now 10:30 p.m. and I still have a number of names on the list.

**Mrs. Campbell:** Could I have a point of clarification, Mr. Chairman? In view of the fact that you do have a number of people still on the list, may we suppose that those of us who have not been heard will have the opportunity to pursue with the ministers our particular line of questioning? In other words, will they be back at the next sitting?

**Mr. Makarchuk:** Of course.

**Mr. Chairman:** Well, in reference to your—

**Mrs. Campbell:** I may say that so far as Mr. Brunelle is concerned I have only one quick question and I don't like personally to bring him back for that. I might be able

to clarify it some other way but I do have questions for Mr. Henderson and the minister.

**Mr. Chairman:** I believe Mr. Davison had stated earlier that he had more questions. I think in fairness to Mr. Henderson and Mr. Brunelle I should inform them this committee meets on Thursday after the question period and continues at 8 p.m. in the evening. With the consent of the committee I would just like to possibly leave it up to the ministers in case they have anything planned for the afternoon. Could they be here either at 3 p.m. or 8 p.m.?

**Hon. Mr. Henderson:** I would be very happy.

**Mr. Chairman:** At 3 p.m.?

**Mrs. Campbell:** At 3 p.m.?

**Hon. Mr. Henderson:** At 3 p.m.

**Mr. Drea:** Will you keep the list then?

**Mr. Chairman:** I will keep the list as I have it down.

**Mrs. Campbell:** Would you tell us who they are now?

**Mr. Drea:** Would you mind reading them for us?

**Mr. Chairman:** Yes; Mr. Norton, Mrs. Campbell, Mr. Samis, Mr. Lane, Mr. Davison and Mr. Drea.

The committee adjourned at 10:30 p.m.



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Legislative Assembly



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Publications

# Legislature of Ontario Debates

## SUPPLY COMMITTEE—2 ESTIMATES, MINISTRY OF CONSUMER AND COMMERCIAL RELATIONS

OFFICIAL REPORT — DAILY EDITION

Third  
session  
First Session of the Thirtieth Legislature

Tuesday, May 11, 1976  
Evening Session

Speaker: Honourable Russell Daniel Rowe  
Clerk: Roderick Lewis, QC

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A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

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## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

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TUESDAY, MAY 11, 1976

The committee resumed at 8 p.m. in committee room No. 2.

#### ESTIMATES, MINISTRY OF CONSUMER AND COMMERCIAL RELATIONS (continued)

**Mr. Chairman:** We have a motion from Mr. Moffatt with respect to the installation of aluminum wiring.

The best opinion on the first point, whether the committee has jurisdiction to determine its own past, present and future, is the same as what my opinion was—normally the best opinion—namely, that we do not have to refer to the House with respect to these matters.

And secondly, that if we do so, that the time in which it is done will be time taken off the estimates. Those are two understandings that I have received, and I think we should entertain the motion now and dispose of it one way or another.

Mr. Renwick's further comment was that he felt that it ought not to be delayed; that it should take place forthwith, as I understood it, immediately after these estimates—and that sounds sensible if we proceed with the matter.

I have only one caveat. Maybe this is not the job of the chairman. I'm not sure what the job is. I am terribly concerned with time. Whenever we meet, or don't meet, time runs on full days and hours—and our time is being severely eaten into. The Ombudsman is going to give us an added estimate thrown in here, and we have two others to do after this is over—the Solicitor General and Attorney General.

On the other hand, it is the responsibility of all committees of this kind to hear matters of some importance, and one cannot even appear to be in the least arbitrary about these things. So I throw it back to the committee.

**Mr. Moffatt:** Mr. Chairman, the point about time had not been clearly understood by me before my motion. I see the time problem that

we're in. But at the same time, I think that the matter is of consequence enough that we should at least deal with it. Therefore, would it be acceptable if we were to suggest that immediately at the conclusion of this ministry's estimates, we set aside a two-hour time period on, say, a Tuesday, when we would normally meet in the evening, and therefore we would not fritter away an entire day? If we took two hours, we could allow one hour pro and one hour con with regard to this particular issue. We may not resolve it. We may only confuse ourselves further. But at least I think we will have discharged some of those obligations of being a member, which I think includes knowing what goes on with regard to issues such as this one when they come up.

**Mr. Renwick:** I'm always concerned when I'm between the chairman and a colleague—in between two colleagues and a secretary.

**Mr. Chairman:** You're perfectly right. You're being squeezed, Renwick.

**Mr. Renwick:** I just don't think that we're in a position to do this without consultation among the other people at whose expense this is being done. I don't pretend to understand how the clock runs on estimates. I really don't.

If what we're saying is that we should take an hour, or we should take two hours, as suggested by my colleague, on this matter at the end of this estimates, I don't know who suffers from it in relation to the time problem. The clock runs in the House. Does that determine it or—

**Clerk of the Committee:** No, for every committee that is sent out to a standing committee, you deduct 10 hours off the clock. There are 225 hours on supply, so for every one that is sent out to committee you deduct 10 hours from the clock. The committees have to report back within 75 days, so every day the House sits there is a day deducted, including Wednesday. The estimates that would suffer by it would be those not considered at the end of the time; there might



be one less day for the Ombudsman or, as Mr. Moffatt said—

**Mr. Renwick:** In this committee?

**Clerk of the Committee:** All over.

**Mr. Renwick:** All over. That's my problem, it's all over. If it had no impingement on any other committee I wouldn't be concerned but it does, as I understand it. I never understood the mathematics.

**Hon. Mr. Handleman:** Don't you at all?

**Mr. Renwick:** No, I don't; I don't understand arithmetic.

So that's a real problem. I feel that it would be quite unfair to colleagues in our own caucus, let alone colleagues in other caucuses, with no understanding between the three caucuses as to the allocation of the total estimate time. I think it would be unfair of us, at this point in time, to pre-empt two hours on a precedent-creating situation.

If it did turn out that, at some point in time, there were an additional two hours which, of course, there wouldn't be—

**Mr. Moffatt:** There will not be.

**Mr. Renwick:** No. Then I think we have to leave it to the critic of this party to act as the alter ego, or the ventriloquist's voice, or whatever you want to say, about the argument which has to be put on the question of the building code and the aluminum wiring within the constraints of the committee. Therefore, I don't feel, as much as I would like to, that I could support the motion put forward by my colleague, the member for Durham East.

**Mr. Reed:** Mr. Chairman, I agree with Mr. Renwick on this 100 per cent. I think the time constraints are upon us and we just can't possibly take the time to do this in this manner.

I would also, though, like to make it clear that I consider this issue to be an issue of some import. It's difficult for me to say, no, we shouldn't do it, because I do know that it's important. It's important for the future here but I just can't see, with the physical limitations that we have, how we can handle it.

**Mr. Braugh:** Mr. Chairman, if I could interject. Later on in these estimates we're going to deal with the section of this ministry that deals with the building code. Let somebody explain to me what possible difference it makes whether you set aside some time

to call in this expert or that expert or whether you let, for example, Mr. Moffatt, take two hours in the estimates to deal with that exact same item without the benefit of anybody else's expert opinion, if you like. How is there a difference? How does that eat into anybody's time? Will somebody explain all of this mystery to me?

**Hon. Mr. Handleman:** Mr. Chairman, the only difference is, of course, that Mr. Moffatt can speak at any length he wishes. What I want to know, and I haven't yet heard, is how do you limit the people who are going to appear before the committee?

We know that Mr. Moffatt is a member of the committee. He is the official critic of the New Democratic Party in this field, and, therefore, is perfectly entitled, at all times, to discuss any issue in the estimates. But how many people are we going to ask, from outside, to come here to present a balanced point of view? Is it one on each side, two, three?

I can bring in the travel industry and we would be here for the next six months. I just don't understand how we can do that and I don't think I would single out the building code as a controversial item, and it is, apart from all the other controversial items. Let's bring the landlords and tenants back again on rent review. Let's have the whole thing reviewed by outside people.

I think this is a place where the members examine the estimates and bring up whatever subjects they want. I'm not saying we don't have the power because we're all agreed that in theory we do. I just find that it would create a precedent that could very well change the whole estimates procedures. We're just talking about one vote and one ministry but look at the whole thing.

**Mr. Moffatt:** Mr. Chairman, if I may respond to that. I thought very carefully about the precedent business and I think, surely, that given the parameters which you outlined as being those of the committee, precedent only depends on the persuasions of the members of the committee at any given time. In other words, because—I am watching the byplay from next door, it must be beautiful.

**Mr. Braugh:** They are knocking on the wall.

**Mr. Moffatt:** If we take the landlord and tenant legislation as an example, where we invited people in, or the Sunday closings, where we invited in, that doesn't mean that every time a piece of legislation comes into



the House or goes to a committee of the House that we are going to review it in detail by having people come in and make representation. We obviously haven't done that with every other piece of legislation. Nor does it mean that this committee should decide at this point to take the course of action which I would like to see it take, or that we will set some horrendous precedent which will come back to haunt us in the future. I dismiss that argument.

I realize as well that there are other areas which quite likely would have as much or maybe even more public importance as the particular aluminum wiring issue. The only reason I am raising that is because I took one entire day and went to Ottawa to spend a day in the lab of this particular gentleman and I then talked to other people in that particular field. I was not convinced, after talking to people who work in the electrical field and who are in that business, that there is, in fact, unanimity on one side or the other of this particular issue.

I think, since it is a matter which gets into the whole business of public safety, and it is obviously a matter of consumer protection as well as a matter of building practices and so on, that it is something that this committee could well acquaint itself with. We may come to no specific recommendations, but at least we will have given the people in this province the satisfaction of knowing that the Legislature is concerned about this particular problem.

There are people who are very concerned about the whole issue and would like to know where the devil they go in order to get at least a panacea for their problems, and they really don't know to whom to turn. Ontario Hydro gives them little cards mailed out with their billing. Mr. Jerabek gives them a horror story in graphic detail. That is not solving the problem. That is simply making the confusion around the issue more and more difficult for people to resolve.

**Mr. Breagh:** Mr. Chairman, I am having some difficulty with this, obviously. On the one hand, I am threatened that if we actually investigate something in any depth, we will cut off some of these estimates somewhere down the line. On the other hand, I sat here through the entire estimates of the Minister of Correctional Services (Mr. J. R. Smith). I watched him use his staff extremely well. I also watched our members attempting to criticize the members from other parties, and the ministry, I thought mostly in a constructive way, and no one being particularly bitter about it.

I am looking again at a sea of experts' faces, and here we are sitting over here with our little files attempting to misinterpret some other expert's opinion, to read that into the record. We are playing with a stacked deck here—all of us who attempt to participate in these estimates.

When the minister gets into hot water he has the prerogative, of course, of deferring to somebody on his staff. I really haven't seen anybody jump up and down and yell and scream that you are not a good enough expert. Most people seem to accept that what the staff say is true and when they offer some kind of an expert opinion, that's okay. I am rather intrigued with the notion, frankly, that maybe somebody else ought to be able to call in some other form of expert, if you like, to present in a more formal way than we now do what might be the other side of the coin, if it is an academic argument or a technical argument. I frankly am a bit intrigued by that one and I think, on balance, I am about ready to support Mr. Moffatt on that idea.

[8:15]

**Mr. Chairman:** I guess we had better bring it to a head. Any further discussion on this particular point?

I have before me somewhere a motion by Mr. Moffatt and seconded by Ms. Sandeman, that this committee invite Mr. Robert Jerabek and Mr. McTaggart-Cowan to appear before this committee—and I have written in, without your permission, “at the end of these estimates”—in order that their views and data regarding the installation and use of aluminum wiring in homes may be put to members of the committee. Then I took the liberty of adding “with the minister's nominees in reply and each side to have a maximum of one hour for presentation.”

All in favour of that?

Can Mr. Grossman vote?

**Mr. Grossman:** Yes, I can.

**Mr. Chairman:** All right, we'll take the vote.

**Mr. Renwick:** Assuming the composition of the room at the moment, why don't we take the vote as lost?

**Mr. Chairman:** I can't do that. The vote has to do with whether or not we will call two gentlemen in, with the ministry in reply, to testify before us with respect to the installation and use of aluminum wiring. This would be at the end of these estimates, with



a time limitation of two hours; one hour apiece.

All in favour?

Opposed?

I declare the motion lost.

**Mr. Crossman:** Assume it as lost? How was one to know?

**Mr. Chairman:** I didn't want to have the casting vote on it.

**Mr. Renwick:** You should give me credit, because there was no point in going through it the second time.

**Mr. Chairman:** I quite agree with you, Mr. Renwick—but formalities.

**Mr. Moffatt:** Mr. Chairman, I am somewhat reluctant to raise the next item, but I think I'll do so.

**An hon. member:** Would you like to take a deep breath?

**Mr. Moffatt:** No, really, this is a simple request.

**Mr. Renwick:** The last one was too, wasn't it?

**Mr. Moffatt:** The last one was too. Since we are going to be dealing with the whole business of rent review at some point in these estimates, and since that is a new field and there are obviously disagreements about how that procedure is working—I gather that there are manuals and scales which are being distributed through the ministry to the rent review officers, I'm sure that in the course of the committee discussion we can come to the point where we can elicit, by way of questioning and fishing and digging, the answers to a number of questions—such as the rate of amortization which is allowed to a landlord in order to calculate his financial statements, and so on.

What I'm saying is that it would probably save time, since that seems to be the major factor in the committee, if we were to have for each caucus a copy of the material distributed to the rent review officers before those estimates begin so that we can base our criticism and our questioning on some relevant material.

**Hon. Mr. Handleman:** First of all, they are not distributed through the ministry; nobody in the ministry has them.

**Mr. Moffatt:** I should have said by the ministry; excuse me, sir.

**Hon. Mr. Handleman:** We don't have them and nobody in the ministry has them. The rent review branch, which is completely separated both physically and administratively from our ministry, because it handles a quasi-judicial function, operates completely independently. It reports to me. I've been asked for those manuals. I have not asked for them myself, because I don't want them. I think this is a judicial process that's taking place. There is no reason for anybody except the people involved to have them.

I'm very concerned about them being made public, because if they're made public they can be abused. You can end-run them; you can do all kinds of things with them if you know exactly what manuals of instructions have been issued. We are very concerned about them getting into the hands of people who will use them for their own purposes. They are meant for guidance. The law is there. The regulations are there. Those are open to anyone.

In our view there has to be a consistency. Because this programme was put together very quickly, many of the people involved in it obviously have no previous experience. There had to be some uniformity, and that was the only reason for those manuals. The law is there. Those decisions are appealable.

In our view those manuals are not public property. They are meant for the internal functioning of that branch. I haven't seen them; I don't want to see them. I'm really quite surprised that anybody would suggest they be made public. They can get into the hands of people who can use them in a way they shouldn't be used. As far as I am concerned, they should not be made public.

Again, this committee has the power to order such things and I would have, I suppose, to take legal advice on that question. But our initial reaction has been not to distribute those manuals to anyone except the rent review officers. They are not given to the appeal board.

**Mr. Moffatt:** If I may comment, I am not attempting to create difficulty for the minister which he obviously feels is quite real. I am simply concerned that, in dealing with the rent review section of the estimates, we are going to spend a couple of days going through chapter and verse of various hearings, because the people in our caucus, and I have discussed it with them, and I gather the people in the Liberal caucus, are quite concerned about the way it is functioning from both sides, from the landlord and tenant side.



It would simply seem to me, if there are documents which are used as guidelines in the operation of that section of the ministry, we would probably benefit from them. I am not attempting to find out something that is not properly within the realm of the members. I think maybe we need at least to know why this is such a big problem to the minister, with due respect.

**Hon. Mr. Handleman.** For the reason I said. I think these are certain internal documents. I haven't seen them and I don't want to see them, quite frankly. I have said this many times before; I really don't think it is a member's responsibility to get involved in what is a judicial process, on the side of anyone. This is a balanced affair between the landlord and the tenant. The rent review officers are there to make a decision. They are not on anybody's side. If we are going to get into that kind of a discussion here, as I say, I would have to take legal advice as to the kind of information that is divulged.

I am certainly not having any rent review officers here to justify decisions. They are appealable and there is an appeal board. If we are going to get into individual rent review officers' decisions, then it may very well be there won't be any answers because I think those things shouldn't be discussed here. We will discuss the Act and the administration of the Act, but certainly not rent review officers' decisions.

**Mr. Renwick:** Could I just speak to this matter—and I am not pretending for a moment to know what the answer to it is. I can only analogize to the court system, since you have raised the fact that it is a judicial process. I never understood what quasi-judicial meant. In fact, it is a judicial process. Decisions are being made which affect the relative rights of persons as owners and tenants of property.

The rules of court are obviously available to anybody who wants to labour through them. The whole of the procedural question relates to the substance of what is before those boards. It is a relatively ancient saying, without being legalistic about it, that the substance of the law is usually found in the procedures which are followed. If you don't know the procedures and if you don't know the rules that are being played and the matters which are being determined, then you are not likely to get the substance of the justice of what is required.

Whatever manuals of instruction that have been made available, and I equate them to

the rules by which the particular tribunals are making their judgements, it would appear to me have to be available to both parties because that is the substance of the criticism which will be raised in individual items before this committee. I agree, I think it is wrong that individual cases should be used to illuminate injustices which may not be injustices if people were to understand what the rules were. I need only to refer to my colleague, the member for Ottawa Centre (Mr. Cassidy) when he said that there was a manual with respect to the submissions made by landlords, but there wasn't an equivalent manual available. I was not aware of it. I have never seen it. I don't know whether anybody has seen it.

All I am saying is that it does seem to me that if the judicial process of rent review is to be analogous to the court proceedings, the rent review officer sits in the position of judge, the players know what the rules are and it's the contest between the players in accordance with the rules that leads to the resolution of the problem by the rent officer. The rent officer is not established as some kind of a person who in some mysterious way by consulting some crystal ball of arcane manuals makes the decision.

If the minister feels that between now and the next sitting of the committee he should take this under consideration, I think that would be well worth while. But if you are going to take it under consideration and if the decision is adverse, I think you should produce the counsel who has given you the opinion so that it can be a matter of discussion not only from my point of view, because I'm not particularly learned in these matters, but so that appropriate members of the other party who are skilled in these matters, could raise the appropriate questions.

I think it really upsets me to think that somehow or other the rules which are available to the so-called judges are not available to the players in the game. It runs contrary to the whole procedure about civil litigation in Ontario.

Judges don't sit up there saying: "I know all the law and so on and I'm listening to these two people who come before me." They listen only to what is articulated before them in accordance with certain rules. I take it that what my colleague is asking for is that you produce the rules. Make the rules public so that the administration can become regularized, so that the people aren't operating in the dark, with a view to both dispelling the concern which is around about the administration and also to take it out in



the open and perhaps solve an immense number of problems in the future with respect to the actual administration of the rent review programme.

**Hon. Mr. Handleman:** I'm prepared to take that under advisement and follow the procedure suggested by Mr. Renwick. I just want to point out there are two sets of the documents you are talking about.

One set is the information sheets which have been distributed to members of the other caucuses. I think I have a collection of them somewhere. These do outline the rules of procedure. I think there are also certain interpretive instructions to achieve some measure of consistency across the province so that when people come in with information it is interpreted the same in Toronto as it is in Ottawa or Thunder Bay. I think those are the things that we would probably not want the parties to play on.

All I'm saying is I will take it under advisement. If counsel advises us that these are absolutely essential to be kept in confidence and not to be released, I would certainly produce the counsel who gives me that advice.

**Mr. Renwick:** I only want to make one other comment. I can't conceive that there could be two sets of rules and instructions, one of which was subject to public disclosure and one which wasn't. It's either all or nothing in my view. If you take the rules of court and the Judicature Act dealing with the superior courts in the Province of Ontario, you not only have the rule but you have all of the miscellaneous interpretations of that rule and what the situation was about and all of the rest of it. It's all out there.

There is nothing that a judge of the Supreme Court of Ontario or a judge of the county courts of the Province of Ontario has as a sort of special manual under which he operates. It's all out there and I think in the interest of expeditious administration and justice in the cases that it all should be out there. Otherwise we're going to get into an acrimonious, argumentative discussion which isn't going to be particularly helpful to anybody.

**Mr. Chairman:** The chairman would like to say a word on this. Certainly what Mr. Renwick has to say is fundamental to British concepts of law and to those which we in this country have always followed. Publication is central in that you have to know the guiding principles by which you are being judged. That's a critical thing.

[8:30]

On the other hand—and I want to play the devil's advocate for a moment—there are such things as assessment manuals which are not utilized, which are privy only to the assessors themselves, which are difficult to come by and which are not used by assessment courts; they are not recognized as documents of a judicial nature, to be so used, but simply as guides to be used as a particular level. It may be that this type of document is analogous to that; it may not be. Those are the considerations that go into the thing.

I would like to move to vote 1302, item 2, pension plans. Oh, am I cutting you off? Oh dear. It is all right; I reverse myself. Go ahead.

**Mr. Moffatt:** I don't wish to delay the work of the committee, Mr. Chairman, but it seems to me that since those manuals and so on, which seem to be available to rent review officers alone, are in fact extensions and interpretations of the Act, it may well be that they will have some bearing on the way the Act is implemented. I simply want to make sure that both Mr. Renwick's point, and the point I made earlier, are clear for the minister's consideration with counsel—that if there is any interpretation of the Act within those manuals it becomes very important for this committee to know what is in the manuals.

**Mr. Chairman:** Any further discussion?

On vote 1302, item 2, pension plans, is there any discussion?

**Mr. Renwick:** Mr. Chairman, I spent some time last year on the question of the pension plans. I have not been able to follow it up in as much depth as I should have since that time, but I was satisfied last year, and I continue to be satisfied. I don't have any comments on this particular vote.

**Mr. Sweeney:** Mr. Chairman, may I ask one question on pension plans?

**Mr. Chairman:** Yes, sure.

**Mr. Sweeney:** I notice by the programme description that it is the responsibility of this ministry to offer some sort of protection and security to pension plans. I am speaking here of those pension plans from which the government of the day borrows fairly heavily, the Canada Pension Plan, the teachers' superannuation plan, the OMERS plan and so on.

It is my understanding that, at least in the teachers' superannuation plan, the government makes a contribution equivalent to that



of the specific contributor. It is also my understanding that, for all practical purposes, this is really a book entry, that there is no money actually put in the plan; it becomes part of the debt of the government of the province. Further, it is my understanding that at some point in time, probably in the early 1980s, we are going to reach the point where the government is going to have to start paying that back.

Does your ministry, or this particular branch of your ministry, take a good, hard look at the amount of money that has been taken out of that plan, the book entries into that plan, and perhaps even the financial ability of the government to pay back into that plan when the time comes? I guess what I am asking, Mr. Minister, is that while your ministry might be watching very carefully private plans outside government jurisdiction, are they equally concerned and are they equally a watchdog for those plans which come directly under government jurisdiction?

**Hon. Mr. Handleman:** Not equally. What I can say, of course, again going back to the primary philosophy of our ministry, is that what we are concerned with in the pension areas is the security of benefits to the individual pensioner. I don't think there is as great a question on that score with regard to public pension plans as there is in private pension plans, where the money is invested, and market conditions and the solvency of the company can have a great deal of effect on the security of benefits to the individual pensioner. But I will let Mr. Bentley tell you what input the Pension Commission does have with regard to public pension plans.

**Mr. Sweeney:** Excuse me, Mr. Minister, it's the security of the pensioner I am referring to.

**Hon. Mr. Handleman:** The security of the benefits to the pensioner is the thrust in our ministry.

**Mr. Sweeney:** That's what I am referring to in my question as well.

**Mr. Bentley:** It is like anything else you invest in, sir: You have to have faith in something, and we do have faith in the provincial government's ability to support these benefits, just the same as we have—

**Hon. Mr. Handleman:** For his salary, you'd be safe—

**Mr. Sweeney:** Excuse me, either I'm not stating it very clearly or I'm being misunderstood. The thrust of my question is do you

have a regulatory authority over these pension plans? Are they examined? Is their financial stability of equal concern to you as that of private pension plans, or is the whole thing just taken on faith?

**Mr. Bentley:** No, we require the same valuation reports from the public service plans as we require from any employer who has a plan for his employees. We require that the actuarial valuation of the teachers' superannuation fund be made in the same manner and giving the same information as we would require from any other plan.

There is one difference. The investments of the ABC Co. pension plan may be in shares, debentures and so on, held by a corporate trustee or individual trustees outside of the control of the employer. The Province of Ontario does support the teachers' superannuation plan, and the public service superannuation plan, through their—

**Mr. Sweeney:** Matching contributions.

**Mr. Bentley:** That's correct.

**Mr. Sweeney:** Yes, I understand that.

**Mr. Bentley:** So we do have the same concern. In other words, if I disagree with an actuary of the ABC Co. I can just as well disagree with the actuary in his report with respect to the teachers' superannuation fund. We endeavour to make sure that the costing programmes of those plans are in accordance with what would appear to be reasonable in the circumstances the same as we treat anybody else.

**Hon. Mr. Handleman:** I think there is a basic difference, of course. That is, that the pensions under the public sector are guaranteed by the Province of Ontario. Private plans are not. We do inspect them and try to make sure of their solvency, but we don't guarantee pensions in the private pension plans whereas the government of Ontario does guarantee the public pension.

**Mr. Sweeney:** I was simply searching for an answer as to whether they come under your jurisdiction and scrutiny and I've received the answer.

**Hon. Mr. Handleman:** They do.

**Mr. Moffatt:** Mr. Chairman, I have one question under this item. That's the business of private pension plans being locked in or, in some fashion, dependent upon government pension plans, even though the government pension plans increase. From time to time



we find the situation where the private pension plan is reduced as the result of government increases, due to cost of living increases and so on. What happens with those profits which are, in fact, windfall profits to the insurance company, the holder of the private pension plan, when that government increase is paralleled by a reduction in private pension plans?

**Hon. Mr. Handleman:** I'll ask Mr. Bentley to answer that. I don't think there's an increase in profits. There may be an increase in the fund itself. These are funded pension plans that you're talking about, so anything they don't pay out remains in the fund.

**Mr. Moffatt:** Excuse me, Mr. Bentley, before you go. That is a feature of a number of private pension plans though, is it not? That they are tied or coded in some fashion to the government pension available?

**Mr. Bentley:** I'm not sure but I think what you are referring to is that the benefit after retirement can be reduced by any increase to OAS and CPP. This was quite a considerable factor a number of years ago. It's a reducing factor for a number of reasons I think, because we have had certain input with the industry with respect to this kind of an arrangement.

Secondly this has been a major factor in negotiations between employers and the union. They have tended to remove this. However, there are still a number of plans affecting a certain number of people—a number that is not great—that do have this offset which does affect retired people. At the present moment—and I think I would prefer to let the minister speak in this area—it's under very active consideration. This I can assure you, and I think the minister can assure you of the same thing.

**Hon. Mr. Handleman:** I can't tell you when we're going to be taking any action but, yes, it's being reviewed and we have some recommendations before us.

**Mr. Moffatt:** Are you contemplating stacking those pensions?

**Hon. Mr. Handleman:** No, I can't anticipate what the legislative process may produce. I'm aware of it. As Mr. Bentley said, it's a minor problem but, nonetheless, important to some people.

**Mr. Moffatt:** It does affect a number of people—and it affects them very directly, I think—whose pensions are quite small as a result of having retired a number of years

ago. Every time there's an increase, they see no appreciable gain in the total number of dollars coming in.

**Mr. Bentley:** That is correct. Their pension stays at a level amount. Yes, we're aware of this.

**Mr. Chairman:** Any further discussion?

Vote 1302, item 2, pension plans, carried.

Next, item 3, financial institutions. That's the superintendent of insurance, trust and loan corporations and credit unions. Mr. Moffatt.

**Mr. Moffatt:** Mr. Chairman, there are a number of people who wish, I think, to speak to this particular portion of the estimates. I wonder if the minister would care to outline for us or have one of his people outline briefly some of the areas in which they have been active in the past 12 months under this particular vote. You indicated in your opening remarks—

**Hon. Mr. Handleman:** Yes, any particular—well, we haven't been terribly active in the Cemeteries Act.

Interjections.

**Mr. Moffatt:** Not in regional governments, it isn't.

**Hon. Mr. Handleman:** The Ontario Deposit Insurance Act; I can assure you we haven't been terribly active on that although it was a major issue about a year ago. We've been extremely active in developing a new credit unions Act. Mr. Jaffray and Mr. Thompson are here, Mr. Thompson particularly.

The credit unions Act? Again, I can say very soon. It's almost ready. We have some problem with the business of the House and estimates tying people up so we can't even get it reviewed. There's nobody available.

**Mr. Breaugh:** I knew it was our fault.

**Hon. Mr. Handleman:** We're trying to find time. We were supposed to meet today and Mr. Meen was in the House and I was here. There's no way you can meet on this kind of thing.

We've been fairly active in that area. The Insurance Act has not been revised but there have been a number of initiatives taken by the superintendent of insurance. I'll let him explain to you the sort of developing scenario in the area of automobile and property and home insurance.

The Motor Vehicle Accident Claims Act has not been revised. As you know, we have



changed the regulation increasing the amount paid into that fund. Effective Dec. 1, it will be going to \$100.

I would say that other than the procedures in the Insurance Act—that is, dealing with the industry and the problems in the industry—that would pretty well outline our programme under this vote. I'd like Mr. Thompson to explain to you some of the problems which we've encountered with the insurance industry particularly in casualty.

**Mr. Thompson:** Thank you, sir. Our basic problem—perhaps I should say the industry's problem—at the present time is the question of market capacity. There is definitely a dislocation in the market.

We feel and know that there is a capacity within the industry but by reason of a number of events—namely inflation, heavy losses, particularly in 1974-1975, which have to be made up out of the surpluses, and the fact that the surplus is used as a base for the capacity or amount of insurance that companies can write, certain companies have found themselves in the position that they must discontinue writing. Some 11 or 12 have withdrawn from the province. These are all foreign insurers.

A number are limiting their writings to simply renewing their existing book of business. This does cause a dislocation because insurance has a relatively complex marketing system. Some companies write on a direct basis. Some are through the agent system. I think it's been particularly so in the northern communities where traditionally the agency force may have six or so companies which they represent, whereas in southern Ontario, by reason of the large number of people, they may have 20 or so companies. If you have the withdrawal of a company or two companies from an agent who has only six, he has serious problems in carrying on and renewing the existing business on his books.

[8:45]

A number of procedures have been set up through the agents, the agents' association and through the Insurance Bureau of Canada to deal with these problems. I am pleased to say, however, that we don't know of any instance in which somebody has gone without insurance. The question is searching in the area to find the capability of an insurer to write it.

It is something that we have spent some considerable time working on in my office, trying to assist the public on it, wherever possible, and assisting agents wherever pos-

sible. I think that is the No. 1 priority within my office at the present time.

I might say that we have several other initiatives we have been working on in other areas of insurance. One is the coming into effect of a new type of disclosure document in accident and sickness policies. This will be a new concept and we are quite interested to see the public reaction to it. It would be the disclosure of an anticipated loss ratio in connection with certain accident and sickness policies. We will be introducing this on July 1.

Really, in effect, we are saying what the anticipated return in benefits in relation to the premium will be, so we will establish a percentage. It is relatively easy to say, but I can assure you it is an extremely difficult complex actuarial formula to work out and it has taken some time to implement that.

We are also utilizing a control on creditors' group insurance at the same time. That will establish a minimum loss ratio on creditors' group life insurance contracts of some 80 per cent and on accident and sickness policies of some 75 per cent. I think substantially those are the programmes which have top priority with us at the present time in the insurance field.

We have the select committee report that we are working on in the loan and trust business. In his spare time Bob Brewerton is compiling a rather large volume of—or putting together a draft bill on it.

We are also processing the increased borrowing multiples, the new provisions which were enacted a while ago. The regulations have been brought into force this year and we are proceeding to administer that programme with the various Ontario companies in that area. I think generally those are our priorities at the present time.

I have with me Lear Wood, who is the director of insurance services; Bob Brewerton, who is the director of financial services; Marshall Dawson, who is co-ordinator of automobile and property insurance; Mr. Jaffray, director of credit unions; Mr. McCoy who is heading up the cemeteries branch; and I believe Mr. Gilchrist and his staff from the fund are here. We will be quite pleased to try to answer any questions.

**Mr. Moffatt:** I was interested in your comments about the difficulties people seem to be running into particularly with regard to automobile insurance. A number of my colleagues have passed along to me letters from their constituents all of which seem to point to about four real problem areas. Maybe I can



delineate the areas and you can give me what you think is an appropriate way to deal with them.

The first one is the difficulty that commercial operators are having in getting insurance for taxicabs, particularly. We spoke in the fall to your people about this and they were aware of the problem. The idea that the taxicab owners have is that there is only one company really now in that business and, therefore, it has become a virtual monopoly and the increases that those people are facing with regard to insurance premiums for each taxicab are astronomical. Some of them have gone from \$800 or \$900 two years ago to \$2,300, \$2,400, \$2,500, \$2,600 for an individual operator in that short a time and they're obviously quite upset about it.

A great furore was created in one part of the province by one gentleman who made the public statement that the taxicab insurance industry was in the hands of a certain group of people from south of the border. That caused no end of difficulties, I gather. I don't know all of the details, I stayed well out of that.

It apparently is a problem not only in southern Ontario. The member for Lake Nipigon (Mr. Stokes) has passed to me a letter from one of his constituents who owns a gravel truck in the north and apparently cannot obtain insurance on that particular vehicle. He has had no accidents, it's just that there are not insurance companies willing to go into that field.

A second area, which apparently has caused a good deal of concern in various pockets of the province, is the whole business of insuring what are known as mopeds. People are required to have licences and so on and then can't get insurance at any price. The agencies are either not able to find insurance companies to carry the claims or they are reluctant to process them or something.

A sort of peripheral area in the insurance business that has been of some concern is, of course, the fact that insurance premiums have been increasing, and maybe this is a ministerial question. As a result of the seatbelt legislation and car safety and so on, we found that people were making statements—the hon. Premier (Mr. Davis)—about the fact that insurance rates should in fact come down. Yet we seem to see a continued escalation of costs to people in purchasing insurance of automobiles. I don't know whether—maybe the minister would rather comment on that than you. Could you give me your responses to those specific questions?

**Hon. Mr. Handleman:** I'll comment on the last one and then let you carry on.

**Mr. Moffatt:** Okay, fine.

**Hon. Mr. Handleman:** As I recall the Premier's statement—and I certainly didn't have an opportunity to review it with him when he made it—we were talking in terms that, obviously, the seatbelt legislation and, hopefully, the lower speed limits would have some effect on the accident rate, the death rate and the seriousness of the accidents, and to that extent would have eventually—and we would hope sooner rather than later—an effect on the costs of insurance companies.

The preliminary statistics which have been published for the first few months of the seatbelt and reduced speed limit legislation indicate that the number of accidents is up. Most of the benefits for injuries in an accident are paid by OHIP, and always have been. The only special types of benefits that would be paid would be death benefits—which, presumably, should come down—and some of the casualty, no-fault insurance, sickness benefits, long-term disability benefits, which are no-fault, which are still the responsibility of the insurance company.

To the extent that the rate of those injuries is down, that particular premium would be down, but as you probably know, that's a very small part of the total automobile insurance premium package. The fact that accident totals are up is really the major cost factor to the insurance companies—at least this is our preliminary indication. That doesn't mean that we don't have hopes of there being some stabilization or reduction in the rate of increase of insurance premiums as a result of these pieces of legislation. But to suggest that there's going to be an absolute reduction pro-rated according to the seriousness of the injuries caused by auto accidents I think would be really overly optimistic.

**Mr. Renwick:** When we get into these discussions we always leave out one of the factors, the increase in registrations. Therefore there is an increase in income to the insurance companies, but we never hear about that, it's only, the accidents are up. But the fact of the matter is vehicle registrations in the Province of Ontario are up, most of them are insured, most of them produce increased income to the insurance companies.

**Hon. Mr. Handleman:** Yes, increased gross income. The question always is, if you're losing money on a certain quantity of registrations, do you make it up in volume because you get more registrations? The in-



insurance companies would say the more cars insured, the more they lose.

**Mr. Renwick:** I know they have always conducted a very sort of socialized business, losing money all the time.

**Hon. Mr. Handleman:** They are trying not to be but, you know—

**Mr. Moffatt:** There is an additional point here though that I wanted to bring to the minister's attention.

Last year in these estimates, the member for Yorkview (Mr. Young) went on at great length, as you probably recall, with the fact that because cars had been made safer with better bumpers and so on, there should have been a reduction in insurance rates consequent with those changes. But in fact the cost of replacement auto parts escalated so very quickly, that the insurance payouts in that field became a real problem.

When the member raised all of that last year, the minister said he would attempt to get verification of that particular case, and if that were the case, he would make a statement about it. Now, I was not in this honoured place last year and I just wonder if the minister did make the investigation and did make the statement and, if he did, what it said.

**Hon. Mr. Handleman:** No, I don't recall having made a statement but we've certainly done an investigation on it. In this particular case, the insurance companies are only too eager to verify the fact that Mr. Stokes is absolutely correct in some of the comments that he made—I am sorry, Mr. Young, I guess it was, who made them—was correct in at least the substance of what he was saying; the specific facts, you know, there could have been some dispute.

**Mr. Moffatt:** Sir, you could check page S-882 of last year and you will see your comment.

**Hon. Mr. Handleman:** I don't recall being urged to make a statement. I think we did verify some of the facts Mr. Young had put before us. Perhaps Mr. Thompson can comment on the results of our inquiry.

**Mr. Thompson:** Yes, we did. Mr. Wood did a survey in connection with what is called crash parts and the insurance industry has been grappling with this too because it is very difficult to get statistics on it. I think Mr. Wood could perhaps give you some more detail in connection with the monitoring that we did with the system,

what we tried to find out, and in conjunction with the insurance industry.

**Mr. Wood:** Yes, we have collected together statistics on the change in the price of crash parts, 1973-1974, 1974-1975 and 1975-1976. We also collected information on other parts which are not identifiable as crash parts, parts that are not usually involved in crashes, to see whether there was a difference in the increase percentages that were taking place.

We chose six cars—Ford, Chevrolet, and Plymouth Fury, for each of two years, 1973 and 1971 models, so we had six cars—and we looked at 10 different parts. The average annualized increase between 1973 and 1974 was eight per cent on the price of the crash parts; in 1974 to 1975 it was 14 per cent; and for 1975 to 1976 it is back down to eight per cent.

The price of the other parts, which are not crash parts, 1973-1974, was increased six per cent compared to the eight per cent; for 1974-1975 it was 11 per cent compared to the 14 per cent; and for 1975-1976 it was nine per cent compared to the eight per cent. So there is no indication to me on those figures there is any significant difference between the increases.

The interesting part is that the increases seem to peak at 1974-1975 and in 1975-1976 they are back down to eight per cent. Now that is up to May, 1976.

[9:00]

**Mr. Moffatt:** That seems to counter the argument that is quite often used by insurance companies. That increased costs of crash parts are what in fact are causing the increase in premiums.

**Mr. Wood:** This information was given to me by the insurance industry. They collected it for us and they used what they called the Canadian Mitchell manuals, which are the manuals used—

**An hon. member:** —by Canadian auto body repairers.

**Mr. Wood:** They are concerned about the manuals and the result that this is producing because they have done a survey on accidents and crashes that took place, say, two or three years ago and they have repriced them using adjusters. They have found quite substantially larger increases than are indicated in this report.

Now, when you do a reassessment of a crash, I would expect that you are not only including the cost of the parts but the cost



of the labour. But, I have seen articles where the emphasis has been on the parts and not on the labour. I personally think that there is a lot more to be looked into as to what is really causing the increases that have been published, because this particular limited number of automobiles—just six, three of two models, 1973 and 1971—do not show a continuing increase in these part costs.

**Mr. Moffatt:** What then are the other factors which have caused these fairly substantial increases in premium costs to insurance purchasers?

**Mr. Wood:** Well, the labour component of fixing cars. I think it's a large proportion of the cost and has helped increased premiums substantially, if you are talking about the increases that have taken place in the past years, or since last year.

What we should be talking about now, maybe, is what increases are going to take place in the future. What the future increases will be is more difficult to judge, because the future increases depend on where we think future inflation is going, and what costs are going to rise. If we think the costs are going to rise substantially, the premiums that are set today have to anticipate claims to be paid a year from now, so you will have to have large increases. If you think that prices are not going to increase at all, then maybe the present rates can be maintained.

So the problem is where is the economy going, where is the cost of labour going and where is the cost of parts going? Even the past may not tell you exactly what's going to happen in the future.

**Hon. Mr. Handleman:** I think Mr. Moffatt asked some questions at the outset of his comments about coverage for commercial vehicles and mopeds.

**Mr. Thompson:** I will deal with the taxicab industry and then I am going to ask Marshall Dawson to speak, because he is living with this every day of the week.

**Mr. Moffatt:** I am aware of that.

**Mr. Thompson:** Going back in the taxicab industry, it always has been a difficult area and basically you have, hopefully, two pretty sophisticated people bargaining on price.

As far back as five years ago, I know there were problems arising out of over-competition in what might be called price-cutting in rates with one insurer taking over from another insurer and thereby getting into situations where you only have one company

writing in a particular locality. That has been the history of the marketplace.

I think you now come to a point in time where it's a difficult business to write. It's difficult to underwrite because you have to know the business. In a lot of cases to keep the cost down you have to put in a form of restraint on the use of certain drivers, types of vehicles, maintenance and things like this. Usually this is an arrangement made between the taxicab company and the insurer. A sudden increase in costs arising from these factors leads insurers to cancel contracts and it has always been thus. If they feel they can't control the cab company or the cab company isn't playing ball with them, and vice versa, they will just back off from each other.

I think in the taxi industry that costs of insurance are exceedingly important to the cab operator because in a lot of cases he is fixed or controlled on the amount that he can charge by the municipality within which he operates. So, traditionally, the cab company has been buying insurance for the lowest price. So you have had a lot of back-and-forth in the market and a lot of stirring around with it.

At the present time, I think, cab companies that have had a series of satisfactory dealings with an insurer are carrying on with that insurer. Undoubtedly, there are increases, in some cases substantial, but they are writing.

If you look at the history of the cab company, if he has been with a number of insurers and he is looking for insurance now, then he is having a difficult time getting it because he has to go to a new insurer and establish his basis, and they are not that anxious to take it on. It is a high-risk business. There is, however, a market for it. One insurer had withdrawn and is back in again. One company actively in the market is an Ontario company and is negotiating. But there is no question about it, the costs are high for cab drivers seeking insurance today.

**Mr. Mackenzie:** I am wondering if I could follow up on the cab situation?

**Mr. Chairman:** I have before me, Mr. Stokes, Mr. Reid and Mr. Breaugh.

**Mr. Mackenzie:** I am sorry, it deals with cabs, that's all.

**Mr. Chairman:** Are you finished for the moment? I will put you down, Robert. Are you finished, Mr. Moffatt?

**Mr. Moffatt:** I have a couple of comments to make at the end, but Mr. Dawson I think



was going to comment on his problems with the taxicabs.

**Mr. Dawson:** You want to continue with the cabs? Mr. Thompson has covered it pretty well, but he only went back five years and I can go back 10 or even 15 years.

It has been consistently the same thing. One insurer ends up with the market because he has an underwriter that understands the business. He sets a premium and the market all flows to him. It isn't very long before the taxi industry starts looking around for something just a little bit cheaper. Another company comes into the market and the whole thing flows at once to another company.

It very rarely happens that the taxi industry is split up amongst several companies. Right now, it is with one company and next year it will likely be with another. But, there is always a group of taxi drivers—those who drive their own cabs—who never have any problems and they always insure themselves with some other company. Usually, if they drive their own cabs they are insured at the same place that they have their home insurance.

**Mr. Moffatt:** The reason I am concerned, Mr. Chairman, about that is that in my meetings with the taxicab industry people, they point out that the taxi industry, in all of our cities, is a pretty significant but underrated component of the public transit system. If on any given day there were no more taxicabs in the city of Toronto, that would pose significant problems for the transit authority in Toronto and for the Ministry of Transportation and Communications, and so on.

Aside from the economic factors, I think it is an area that the minister and his ministry should keep a particular flag on so that problems which seem to develop—and they may develop overnight and then disappear—can be watched. We must be aware that those people are performing a public function and if they weren't we would be beleaguered to provide additional expressways or whatever in order to accommodate the need for public transit. That whole part of your ministry is fairly significant and needs to be watched vetry carefully.

I think maybe this one short comment should be made about the gravel truck—is that the same?

**Mr. Chairman:** Okay.

**Hon. Mr. Handleman:** There is a comment on mopeds I think.

**Mr. Thompson:** The moped situation is one that we are continually wrestling with and for the life of me I don't know why. Every time we get into it we find there are companies writing and offering moped insurance. There is a wide divergence in rates, but there is no basis for setting rates. When we tracked down why there was a wide divergence, it was because some companies simply regarded them as light motorcycles for convenience.

I think it is important to state that traditionally the insurance industry in the automobile field sets its rates in June for the ensuing year. This has become traditional and the vast majority of companies do this. The mopeds come in part way, through no previous experience, and they base their rates on the compilation of the green book statistics. There are no statistics available on mopeds, so they are taking the best available base they can—which in some case is a good guesstimate—and starting out with that.

We did find a wide divergence. I think that has settled down somewhat, but the reason for that was because some of the companies were treating them as light motorcycles.

**Hon. Mr. Handleman:** I think from my correspondence, there has been a tendency for every moped owner who goes to an insurance company and is told, "No, we can't give it you," or is quoted an exorbitant rate, to immediately take that as being typical of the whole industry. If they had taken our suggestion to shop around it probably would have prevented that letter from coming in. Usually, I guess, it takes two or three calls at the very most to find the proper kind of coverage at the proper premium.

**Mr. Moffatt:** I had a number of letters from the Peterborough area. One person had gone to every insurance agent and was told—according to this person—that there is no insurance for mopeds. Whether there is a Berlin Wall around Peterborough or something I don't know, but I found that to be an interesting kind of aberration.

**Hon. Mr. Handleman:** I am not aware of that.

**Mr. Stokes:** I can see Mr. Thompson is skirting the gravel truck very nicely. There is an obvious reason for all of this.

I did pass a letter on to Mr. Moffatt because I have had a lot of trouble with insurers in northwestern Ontario. Many say that because of a lot of vagaries in the



marketing of insurance they aren't able to provide the same services in northwestern Ontario they do elsewhere in the province, where you people take it for granted.

I find that a chap has spent his life savings to purchase a gravel truck, with the assurance that he is going to be given sufficient work to retire the debt on it, only to find, after he travelled all the way to the town of Atikokan, that he couldn't buy insurance there from any one of three different companies. He shopped around at all of the insurance companies and agents in the city of Thunder Bay and still couldn't get it. Here he has an obligation to meet payments with his creditors who made it possible for him to purchase this gravel truck—and they don't come cheap today as you well know. He is a single owner-operator, and he finds that he is about to lose what meagre savings he has invested in the gravel truck simply because he can't put it on the road because of his inability to find somebody to insure it. It seems to me that when we charter these companies, and give them the right to operate in this province and in this country, they have a responsibility to live up to that mandate, and to sell the insurance at whatever premium rates they have to charge in order to cover the risk plus a fair margin of profit.

I have had the same trouble with a young chap who bought a half-ton truck. He paid \$6,000 for the truck, and has been given a provisional contract; it is written across the face of the receipt he got. When he went to sign up on a more permanent basis he was told that that particular agent has used up his quota until June 1, so this chap either has to tie up that half-ton truck until he can get some realistic coverage on it, or he takes an awful risk.

[9:15]

I've had the same problem with every insurance agent in Terrace Bay, every insurance agent in Schreiber. One of the agents is underwriting insurance on behalf of four or five non-board companies, and there isn't one that will take on that insurance until somebody in the ivory tower down here in Toronto, in Montreal or in New York or wherever the decisions are made, says they are about to start selling insurance again.

Here we are in the business of trying to find employment for people by making cars and all of the things we do to keep the economy rolling, and you have one segment of it, the insurance company, that says: "No, the whole system stops until we get our books in order and we make sure the risk is

spread around in such a way that we can operate at a fair margin of profit." So, the quota thing is another thing.

The thing that bugs me the most is when an individual goes to an insurance agent and tries to get automobile insurance, and they are most likely to be told: "No, you go to the insurance agent who has the fire insurance on your home. Unless we can take the whole package, we don't want any of it."

Take somebody who has a snowmobile; it's impossible to insure unless the company can get the whole package.

The insurance company is the epitome of the free enterprise system, but boy, the way they operate their insurance business in northwestern Ontario makes it a complete monopoly. Some of the letters that I get I bring them to the minister's attention. You don't get all of them. Mine is a very sparsely-populated part of the province, but if the kinds of letters and the volume of letters that I am getting are an indication of the way the insurance companies are conducting themselves in the Province of Ontario, it is quite a condemnation of their ability to do something that they are obviously in the business of doing.

I really think that these questions are deserving of an answer, and I should get a fairly reasonable answer from the superintendent of insurance so I can go back and tell my constituents that they aren't second class citizens.

If somebody in Metropolitan Toronto, or somebody in Peterborough, or somebody in Ottawa can get a licence so that he can be covered to operate on the highways and the road systems of this province, then we have a right to the same kind of treatment in northwestern Ontario, and that isn't the case at the present time.

I have already written to you, sir, personally on the gravel truck incident. I haven't taken the trouble to write to you on behalf of others who have written to me. I wanted to take advantage of this opportunity to get your response before I burdened you with the same kind of letter volume that I have been inundated with. I really think that the service they are providing is atrocious, and I think something should be done about it.

**Mr. Thompson:** I can perhaps add to your indignation somewhat to say, frankly, I don't understand the failure to write commercial vehicles. I don't know why, because the price isn't negotiable.

**Mr. Stokes:** Not at any price.



**Mr. Thompson:** It's a question of calculating the risk and the price, and that price is basically a flow-through price for the commercial operator, except with taxicabs.

A lot of this business—and you are quite correct—does have to come to Toronto. It has to come to a Toronto broker, and the broker brokers it. I don't know of any instance where it hasn't been placed at all.

**Mr. Stokes:** I can give you specific instances.

**Mr. Thompson:** If there are any I would certainly like to know about them, because we have worked on these and we have been able to provide some assistance in placing these types of coverages.

**Mr. Stokes:** Pardon me for interrupting, but it is getting so bad that I've actually got insurance agents coming to me and saying, "Would you please help? Will you talk to the superintendent of insurance? Will you talk to the Minister of Consumer and Commercial Relations, because we're at our wits' end? We don't know what to do with these companies. We favour them with our business. They just want underwriting." When I get insurance agents coming to a member of the Legislature saying, "Will you please intercede on my behalf and on behalf of my clients with my company?" it's a pretty clear indication that there is something wrong.

**Mr. Thompson:** The other thing we keep searching for is a shift, a change. We've met with the auto industry and we're really searching for why it is continuing to go on, because we feel there is a capacity in the market to provide it. I know some companies have had to pick up books of business from those withdrawing, and that's difficult. They're taking on new business. They've got to adjust it. Their portfolios are out of whack.

It takes time to digest it and get it into line, on the assumption of spreading the risk between all classes and things like that. I think some of the companies have performed magnificently through this; others I wouldn't say they had at all.

**Hon. Mr. Handleman:** I think, Mr. Stokes, one of the things that has come across my desk quite frequently is the concept that some of the companies are not bearing their fair share of the high-risk burden. They're being very selective, which is probably very good business but it places an additional burden on those who are responsible and who say, "We recognize that we have a responsibility to provide the service." They're taking

the bad risk business and obviously this is going to affect their performance in the long run. We are looking for a mechanism whereby we can spread the bad risk business over the entire industry and not allow people to do what they call skimming off the top. I think we are looking to resolving that problem, and it is a problem.

On the question of coverage, Mr. Thompson says he's been able to place coverage for everyone. I know one that he hasn't been able to place, and I don't blame companies for not wanting to place this particular policy, but there are cases like that too and I think you sometimes have to hear the insurer's side of the story about slow payment of premiums, about deliberate lack of maintenance on commercial vehicles which cause high risks and that type of thing. After a number of years, they say, "Look, who needs it?" and they get out of the business.

We see the need for improvement, just looking at the kinds of complaints we have had and just what you said—poor service, poor communications, dollar value disputes, lack of coverage, tie-in sales, which I think are bad and I think we've criticized the companies for resorting to it. Some of the agents do it because they say, "Who needs the bad stuff if we don't get some of the good stuff?" and they try to tie in their sales. We're aware of the problems. I don't want to say that the resolution is going to be easy, but I think we do have some meetings lined up with some of the major insurers at which we hope to knock a few heads together.

**Mr. Stokes:** That's fine. I'll provide you with the individuals who can't place it at any cost and, hopefully, we'll resolve the problem.

**Mr. Thompson:** Very good sir.

**Mr. Reed:** After hearing those immediate comments, one wonders if there perhaps isn't enough competition in the insurance business and if a little more wouldn't hurt.

Mr. Minister, I have just one concern. Most of the comments regarding insurance rates have been made and I think the points have been well made. What I'm concerned about are the accident statistics for the first three months of 1976. While you're quite right that actual collisions are up four per cent, injuries have been reduced substantially in that three-month period compared to the first three months of last year, according to the Minister of Transportation and Communications (Mr. Snow) in his statement in the House on May 7—down from 17,847 a year



ago to 14,510. To me, that drop exceeded all of my thoughts on the effectiveness of the seatbelt and speed limit legislation. Here we have fatalities down to 170 in that same span from the previous 256. As he says, 86 lives have been saved and that's almost one for each and every day.

Admittedly, costs have risen in terms of crash parts, as you call them. The cost of labour has certainly increased in the last three years. I just wonder if there is some intelligent way that we in these estimates, or as individual members, can get some kind of a comprehensive precis of how these rates are arrived at and how the insurance companies go about justifying the rates that they charge.

That's really the sum total of what I wanted to say. I'm not yet convinced that high insurance rates are justified when we've got what appears to be the makings of a dramatic decrease in personal injury and fatalities. I realize full well that collisions cost a lot of money even without injury, but there certainly must be also some rather large settlements in terms of fatalities from time to time as well.

**Hon. Mr. Handleman:** I think anybody who has practised insurance law, which I haven't, will tell you that the time it takes for that kind of decision to be made in the court, for the judgement to be made and the appeals all to be heard would be much longer than the period in which we've had seatbelt legislation and reduced speed limits. It takes literally years. During that time, unfortunately we're seeing judgements, which a few years ago made it possible for the government to set \$50,000 as the minimum liability coverage, going to where now they're talking in terms of \$500,000 or \$1 million because the courts are awarding that much more. You reduced the number of deaths and the judgments go up exponentially, as my statistical friends would say, and, as a result you are running fast to stand still.

I'm not suggesting the insurance companies won't have to pay some attention to a trend line in injuries and deaths. But the immediate costs of those kinds of accidents and our hospital and medical care, which are covered by OHIP, are not covered under your insurance premium; only those things which OHIP doesn't pay are covered. We have very little coverage for that kind of expense, which is the immediate expense. I can see that it may take some time for these to be reflected.

Mr. Wood can tell you how the rates are set. I know of the two techniques. One is the green book, which is quite public. I think Mr. Lewis usually gets a copy of it before anybody else and asks me what I'm going to do about the rate increases that are reflected in the green book, which I haven't yet seen and which I've never seen, quite frankly. It is something that these people use.

The other one is the Insurance Advisory Organization, the IAO, an industry group, which advises its members. It does not include the whole industry but major insurers. They advise them on regional rate proposals which they file with the superintendent. Then the superintendent discusses it with them.

There are a number of factors in their rate proposals which we argue and we jaw-bone about. In other words, Mr. Thompson and Mr. Wood get together with them and say: "You're anticipating an 11 per cent rate of inflation. Our people tell us it's going to be 9.5 or 10." We try to persuade them that maybe they've been overly pessimistic. Then there's a new element now called the Anti-Inflation Board which has a look at these things; all of these rate proposals will go up there too. The actual mechanism I would leave to Mr. Thompson to explain.

**Mr. Thompson:** If I can just say a few words, then I am going to turn you over to Mr. Wood who does the actual work day by day on this. He's an actuary and is doing the heavy slogging.  
[9:30]

I think in Ontario you really have to go back to the early 1930s and the Hodgson royal commission which set up a basis for the green book. That was the gathering of a pure statistical base upon which automobile insurance rates could be computed. The idea and theory behind that, bearing in mind that there are a great number of intangibles or contingencies, was there could be developed, as scientifically as possible, a formula or a statistical gathering base on which to base automobile rates, because you are projecting into the future.

That was carried on and was re-examined in about 1967 in a document called the Mayerson report. Mayerson was an actuary from Michigan who was retained. I think it should be borne in mind that all professional opinion in this area basically regards the Ontario system as one of the finest in the world for the purpose of gathering statistics on it.

On top of that, you have the Insurance Bureau of Canada which has a statistical



division. They do an interpreting job. In other words, they take this data—and this green book is about that thick—and it is broken down into territories and classifications and types of drivers, individuals and everything. They do an interpretation through their statistical division, again another actuarial involvement, which is sent out to the automobile insurance industry.

The insurance industry itself has its own actuaries. There are very few automobile actuaries. The principal group is what is called the IAO and I would say a little over 50 per cent of the companies belong to that group. That is an advisory organization. Again, for its member companies, it suggests a rate level based on the statistics gathered and their projections.

The real area you are getting into is the projections for the future and other factors—increased labour; increased parts costs; trends in judgements; increases in judgements; factors like this. This is the judgement area in it.

At that point, I will turn you over to Mr. Wood.

**Mr. Reed:** Mr. Chairman, I must excuse myself. I see I am being called into the House. I am sorry but I am going to leave you. I have to be two people tonight and I beg your indulgence. I am sorry. I will turn you over to Mr. Sweeney.

**Mr. Chairman:** Do you wish to continue? The speakers I have down are as follows: Mike Breagh, Bob Mackenzie and Gill Sandeman. Do you wish to continue the line of questioning of Mr. Reed?

**Mr. Sweeney:** I would like to hear the response to the question given and then I will pick up questioning in another area later on, Mr. Chairman.

**Mr. Wood:** Would you like me to try to explain to you, in a simple way if I can, how the rate is arrived at to give you some—

**Mr. Sweeney:** That is the answer to the question.

**Mr. Wood:** I am going to try to make it illustrative of what happens because it is a complex system which they use. It's based on the green book statistics, as the superintendent has just explained, and I have before me one of the pages of that green book; the page is referring to the experience for Ontario. It is page 124 in the green book.

I am looking at the top of the page dealing with bodily injury and property damage.

I will take that one part of coverage to illustrate how they go about it.

They show for each year—1971, 1972, 1973, 1974 and 1975—the actual loss cost or actual claims per car insured for all business sold in Ontario. For 1971 it was \$73.12. That is the average claim paid on bodily injury and property damage in 1971 per car insured. In 1972 it was \$78.03; the next year, \$82.66; in 1974, \$88.22; and in 1975 it was \$95.57, showing that the actual average claim, including adjustment costs, had increased year by year.

Then they compare those figures with the current premium. Part of the current premium is established to provide those losses. In other words, they take the average current premium being charged—the current rates—and take out the expense loading and the profit loading. What they leave is that part of the gross premium to cover the claims, and they compare it with the claim figures. Reading here—

**Mr. Sweeney:** May I interject a second? You said they take out the profit loading?

**Mr. Wood:** Yes, we have the claims for each year increasing year by year. Then they compare that with the current premium.

**Mr. Sweeney:** I understand that. The setting of the premium, though, is made after the profit loading is taken out. That's determined in advance.

**Mr. Wood:** Yes, they know what their expense loading is going to be. They know what their profit loading is going to be. So they take that out of the current premium to find out what part of the current premium is to be used to cover claims or is expected to cover claims. So if you had a \$100 premium, let's say \$70 is expected to cover the claims. They compare that current \$70 with the actual claims that have occurred over the years.

**Mr. Sweeney:** Excuse me. I'm sorry to interject again, but the publicity of the insurance companies is that in fact they lose money at certain times. Now, according to what you just said it is impossible for them to lose because they take a profit margin out even before they set the premiums.

**Mr. Wood:** I haven't reached the point yet of setting the premium. I'm just showing you how the statistics work. I take it that you want to get some brief explanation—

**Mr. Sweeney:** That's what we're after.



**Mr. Wood:** —and I hope I can succeed. I'm just telling you what we have statistically available to us.

We compare the current provision in the premiums to cover claims, or some part of it. We establish what it is. We compare it with the actual average claims in the past five years. I read here: "In 1975 the part of the premium required to cover claims was \$103.28. In 1975 the average claim was \$95.57." So there is more provision in the current rates than is necessary to cover the average claims in 1975.

From the claims figures we have to project two years hence to find what the level of claims is going to be. Now we have had \$73, \$78, \$82, \$88 and \$95, and if we project that, two years hence the claim level may be \$110. If we leave the premium as it is now, we only have \$103 to cover \$110 of claims when these new policies would come in. That is on average, because this data is a year old and we're looking a year hence, so that's the two years. So the premium would have to be increased by seven per cent, roughly, to bring the \$103 up to \$110. That, in a very crude way, is what is done.

Having brought it up by 10 per cent, they add back in the profit. They add back in the expenses. So we have the \$110 up to \$140 or \$150 for that particular type of coverage.

Experience will dictate whether they have projected correctly what that claim is going to be. If the experience is poor, if inflation is faster than they contemplated on that projection, then they will need more than \$110 to pay the claim, they won't have \$110 in their premium and they will suffer a loss. They call this an underwriting loss. If, on the other hand, inflation is less than they contemplated, then they will make an underwriting profit higher than they contemplated.

The key problem though, at any time, is inflation. What is it going to increase by in the next two years? Historically, in the last two or three years, they have undershot inflation and because of that they have lost money. They never had the \$110; they only got \$100—the claims went higher than the \$110 projected.

The problem in the future, with restraint, with the AIB, is what are the projections going to be? Can you use the past as an indicator? Can you put in some arbitrary limit and say we are going to have no inflation, eight per cent inflation, 10 per cent inflation—what? What inflation they use in setting the rates in the future, in the next

month or so, is crucial. They are working on it.

I hope that explains rate setting in a very brief way. I haven't gone into all the intricacies of it but I tried to give you a—

**Mr. Sweeney:** To what extent is your ministry involved in justifying the figures that are used in that book? Is it an internal document with the industry which they simply pass on, or do you have any say at all as to what it's going to say?

**Mr. Wood:** It is our book. The figures are produced by the industry on behalf of all the superintendents. It's a pure, factual presentation of the facts that exist. The interpretation, this projection they talked about, is not in this book. All this shows is the actual average claim figures for the five years. It doesn't indicate what it is likely to be two years from now, which is the crucial problem, and which the IAO and the industry attempt to identify and which we discuss with them and we can agree with them at times and at other times we don't agree with them.

**Mr. Sweeney:** But if you don't agree with them, there really isn't too much you can do about it.

**Mr. Wood:** I guess they—

**Mr. Sweeney:** I am not making a judgement, I am just asking a question.

**Mr. Wood:** We haven't got rate control directly, if that is what you are asking. We can't tell them what to do, but we can persuade them, and I think they will listen. History has proven that they have listened to us. We have had documented cases where they have reduced their contemplated inflation and unfortunately it is not a good example because history has shown that we were wrong and they were right. It was just two years ago when their inflation assumption—they had sort of departed from the historic practice of fitting a straight line to the thing; they sort of curved it up. We thought that that wasn't cricket. The effect was that they listened to us and backed down and reduced their increase two or three per cent—I forget the figure exactly. It isn't a good example to give because they can say, "You were wrong." And we were, because we didn't contemplate that what happened in the last two years would happen; inflation did not continue in a straight line, it curved up and we were undershooting in anticipating where it was going to go.



**Mr. Chairman:** Excuse me, if I recall correctly, we were responding to a question raised by Mr. Reed. If you want to pursue that at length could I go back into the speaking order and then you can pick it up again? Mr. Mackenzie.

**Mr. Mackenzie:** I wanted to raise a specific example with you and I am not sure if I haven't been arguing with the wrong people because I have been talking to the federal AIB on this and getting nowhere.

I have a Mr. Paul Vaschi, of Vaschi Cabs in Stoney Creek—and I don't have his letter with me; he is operating either four or five cabs. His premiums in 1975 were \$4,700. The premiums he has just had to pay for 1976 are \$7,600. He tells me, and I have to go by his word, that there has been no major extra accident costs that he has had in his business over the last year. He seems to feel very strongly in his letter that he tried to find an alternative company to place with and couldn't, and his problem is the lack of competition. At least, that is one of the reasons for the jump, which is about a 62 per cent increase in his premiums.

I find in talking to Mr. Nuttall and Barbara Polowin at the AIB that they will not take a look at any individual case. The policy of the federal AIB is to pass through increased costs, but in no way will they look at a single individual case. The only thing they are doing, and they both made it very clear to me, is taking a look at the company's profits at the end of the year and if the profits are above a certain guideline then they will make some decision on it. That seems to me to leave it open to some real unfairness; there can be some individual cases that can be really out of line, but they are not going to get caught. It just depends on whether or not the individual company is showing a profit above a certain level.

[9:45]

I am wondering what you would do in a case like this. Do you look into cases like this if they are brought to your attention and how do we deal with it?

**Mr. Thompson:** We certainly do and we are doing it every day of the week. What we do is go to the company and get the basis for their calculation of that particular rate. What I can say is that we look at it on the basis of is this individual in any way being discriminated against? Is there a departure from the rate?

It is very difficult in the commercial lines because you are taking into account all sorts of things—the condition of his cabs;

the age of his drivers; the competency of his drivers; and everything like that. We definitely will look into it to see if we feel there is any unfair discrimination against this individual. Apart from that, I can assure you it will be looked into very thoroughly.

**Mr. Mackenzie:** I will turn the letter over to you. He said he thought the increase last year was fairly substantial, but it was nothing like this and when he tried to find an alternative source, he couldn't. Nobody else would take him.

**Mr. Thompson:** One thing on that is that quite often people say, "I had a good year. I had a good claims record and undoubtedly it must be some factor in the setting of the premium." It can well be that the whole taxicab industry in the territory, in the Hamilton area, may not have had a good record and, unfortunately, he falls into that group. That is a factor the industry would be using to set the rates. They might say, "You did. You are a good driver. We will give you something for this." But I don't know until we do look into it carefully. It could well be.

**Mr. Mackenzie:** Do you feel there is a possibility of unfairness in the position being taken by the federal AIB in that they will not look at individual cases? No matter how you bring them to their attention, they will only take a look at that individual company's profit at the end of a year. Does that not lead to unfairness?

**Hon. Mr. Handleman:** I think asking Mr. Thompson to comment on the AIB's procedures is a little bit unfair.

**Mr. Moffatt:** It is like asking you to explain actuarial rates.

**Hon. Mr. Handleman:** I think they would have to go according to their legislation and regulations. It is my understanding they don't deal with individual cases of price discrimination. We will deal with it as a matter of price discrimination, but not necessarily as a matter of an increase which exceeds the guidelines. That is the AIB's job.

I am surprised to hear you say they take the attitude that the only thing they will look at is the profits of the company at the end of the year. They have intervened—have they not?—in rate setting in one case at least that we know of and probably more.

**Mr. Thompson:** I think Mr. Dawson can comment directly on this.

**Mr. Dawson:** I would like to mention briefly that letter you got from Paul Vaschi—



we had an identical letter from him maybe a month before you got it. I remember personally dealing with him—unfortunately I don't remember all the details—but I remember speaking to him and he was satisfied and was placed somewhere else. He did have a very unsatisfactory experience as I remember and his operations had changed and when we got your letter—I believe you did send it to us, didn't you?

**Mr. Mackenzie:** I don't think I did.

**Mr. Dawson:** Then it must be the same letter coming again. It has a stamp Saltfleet Taxi across the top of it, I think, because we got it twice. The second time—I thought it might have been you who sent it—we replied that he already had his insurance. That letter, if you have it, is probably dated over a month ago, isn't it?

**Mr. Mackenzie:** It is about a month ago now.

**Mr. Dawson:** Yes, because we have dealt with it twice. His own particular case was placed. In the meantime, he had a slight difference of opinion with his agent which caused some of the—

**Mr. Mackenzie:** I know the federal AIB phoned him also and this was the story. That was in the last week because I have talked to Mr. Nuttall in Ottawa since on it.

**Mr. Breagh:** I wanted to raise what I think are maybe a little more fundamental problems without getting to individual cases. You have covered a number of instances here this evening in which a rather strange phenomenon is afoot. In a very real sense I think the ministry is charged with, if you like, regulating or ensuring that insurance companies operate in a proper manner, yet I haven't really heard very much, when problems have been brought to your attention, that indicates regulation is going to take place.

Recognizing there's considerable regulation in place now, and considerable influence—I suppose one could say that exercising the influence of the ministry is one form of regulation, one way to make an industry perform in certain manners—I really think there are a number of areas that have been put out here tonight in the form of individual cases which really shouldn't be dealt with in that way, because they're not individual cases; they're things that all of us have had brought to our attention.

In the matter of insurance companies refusing to insure somebody—not because

they're a bad risk or anything else, but very simply because they refuse to tie in all their other insurance policies with that particular agent, and, therefore, they are refused a service—I wonder what we would do with another industry which took the same attitude. If a restaurant owner said, "If you don't buy the clothes we sell in the back of the store you can't eat the food in the front of the store," wouldn't we yell and scream about that being discrimination?

I'd like someone, perhaps the minister, to respond to that particular part of it, to clarify that very particular thing about can they be selective, as an agent or as an insurance company or an underwriter, as to who they will or will not do business with on an individual or group basis.

The second thing is, I've never met an insurance man at any level who didn't preface everything he ever said with essentially, "You're never going to understand this anyway," and he's probably quite right. I don't really understand the rating system, and I'm not sure that a hell of a lot of people really do. How justified is it for them to take particular groups of people—whether they're people who are riding motorcycles or driving Corvettes, or taxicabs, or mopeds or whatever—and set rates at a rather high level? The person who is buying the insurance is being punished for someone else's sins, surely? That really goes into the rating system that's used.

The rating-system doesn't really address itself very much toward whether he's a safe driver or he's never had an accident in his life; it really has to do much more with the kind of automobile, or motorcycle, or Ski-Doo, or whatever it is he's buying. If he happens to buy that particular thing and get it on the road, he pays the high rate.

Is that really all that fair? I'm really quite unclear about how much influence you have, other than browbeating, in terms of regulating that. It strikes me that as a government you regulate everybody else. You regulate General Motors, you regulate milk producers, you regulate people who sell in the corner store.

**Hon. Mr. Handleman:** When did we start regulating General Motors?

**Mr. Breagh:** You mean to say that you really didn't play a part in having General Motors put safety bumpers on cars and installing seat-belts in them? You had nothing to say as a government?

**Hon. Mr. Handleman:** No.



**Mr. Breaugh:** No? That's funny, because I seem to recall that when the federal legislation was put through a lot of provincial politicians were saying, "We worked long and hard for that," and I really thought that you did.

**Hon. Mr. Handleman:** We didn't regulate General Motors.

**Mr. Breaugh:** No, no. You had no part in it, eh? I tend to think that maybe General Motors of Canada and a number of other industries might say that the Province of Ontario, through the federal government, had a good deal to do with regulating them. I think if we really wanted to search long and hard we could find ways in which you regulate General Motors. The Ministry of the Environment might regulate it just a bit; perhaps not very much, but just a bit in spots. The Ministry of Labour has a few things to say about how that company functions. There are a number of ways in which the Province of Ontario regulates General Motors and everybody else.

So the point really is that you are recognizing some problems, and I appreciate the explanations you have given. I'm wondering, though, why the hesitation to move into that field in a way other than discussing the problem with the industry? I want to quote the examples that have been given here in this session this evening, where particular cases have been brought up, and I really don't think they should be dealt with here as individual problems of a particular constituent. I think I heard most people preface their remarks by saying, "Yes, I've seen that in one or more cases." I haven't really heard anybody say, "We are going to do this to resolve that problem," in whatever way. I've heard a lot of admissions that, "Yes there are some loopholes and some slippages there."

I wonder about the problem, the phenomenon if you like, in the industry of people letting that role fall to one insurer, whether that be taxicabs or gravel trucks or whatever. You see, what I'm really thinking is, do we do that in very many other industries that we deal with? Do we say to them, "You can exclude everybody"? I can think of a lot of other things where you get a licence to do this amount of work or provide this kind of service, and you provide that particular kind of service.

Has there been any thought given to having insurance industries provide basic kinds of insurance—to license them, if you like, to provide certain kinds of insurance—and then by law, regulation or however you

want to do it, require them to provide coverage under that kind of thing? That, it strikes me, would get away from the notion that there wouldn't be anybody left in particular areas to deal with certain kinds of coverage, say of taxis or the gravel truck business that Mr. Stokes brought up and that kind of thing. We would simply say, "If you want to operate an insurance company in the Province of Ontario, get a licence to provide certain kinds of insurance." That simply would provide, to a degree anyway—and perhaps they would compensate for it in the rates—that they would have to provide certain kinds of insurance by law.

I recognize, too, that in all of this you have to kind of get to the bottom line on insurance companies, which really is that there is no money in it unless you write policies that are never used; and when you start writing policies that get used a lot, you don't make any money out of it. There is a natural conflict in that particular industry about that, I guess.

What I am concerned with in general—and those are three points I would like to hear someone address themselves to—is the comment that the minister made just a little while ago, where he said, "We intend to meet with the industry and bash a few heads together." That kind of John Wayne approach bothers me a bit.

**Hon. Mr. Handleman:** I thought you wanted us to do it.

**Mr. Breaugh:** Yes, sure, but what happens if you bash their heads and they still say no, as they are liable to do? And, frankly, I guess I am displaying my lack of faith in the minister being able to bash those heads together that much.

I remember when the seatbelt legislation went through the House; that applies to everybody, except the member for St. Catharines (Mr. Johnston). When we apply laws and regulations, we apply them across the board. We don't call them all in for a chat and say, "Now, boys, some things are right and some things are wrong; clean up your act."

For example, if you buy a car, you buy it with all the standard safety equipment, you obey the speed limits, you get a licence, you do this and you do that; but the laws and regulations apply across the board. Individuals don't get a chance to come in and really negotiate whether they will or won't do this or that or buy this or that piece of equipment for their cars.



How come, in the insurance industry, you are quite prepared to take the John Wayne approach? In other areas, you have law books full of laws and regulations for everybody else to follow; how come they don't apply in that instance?

I don't want to leave that last John Wayne approach as the only one that gets answered. How about some answers to the specific questions that I raised earlier?

**Hon. Mr. Handleman:** Before asking Mr. Thompson to respond, first of all, if there is any suggestion that the individual problems that are referred to us are not dealt with, then I think I should dispel that. To the best of my knowledge—and I guess I only see a fraction of the letters that come in dealing with this matter—they are dealt with, and they are dealt with by individual contact with the company or with the person trying to get insurance.

I think a great deal of Mr. Dawson's time is spent in getting insurance for people. This means, as is the usual situation in a market economy, finding somebody who is willing to sell to the willing buyer. This sometimes takes getting people together, and this is one of the things that we do in the ministry.

I have absolutely no compunction in taking a relatively small number of people, meeting with them to set forth the problems that we see, listening to the problems from their point of view, and trying to resolve them in the public interest. The same general legislation applies to them as applies to any other business, and we have business legislation which applies right across the board. The Business Practices Act applies to insurance companies—they are providing a service—the same as it does to the department stores or to anybody else in business.

We do license all of the insurers. We do, I think, classify the kind of insurance that they are allowed to sell. We do not say to them that, having been licensed to sell this insurance, they must sell it to everybody at a price that everybody can afford; I think that maybe is the one step we wouldn't take that perhaps you would. We are not in the business of doing that.

[10:00]

We think that the competitive market situation has served us well over the years and we're prepared to let it continue. If we find it breaking down—and we haven't found that on a large scale, certainly not sufficiently to warrant our intruding in an industry that's working quite well. But if it did, I think that

history has shown that we would not hesitate to intrude. I would rather try the John Wayne approach, and if it fails we always have the option of legislation.

Here we are talking about estimates. I haven't even tried to calculate the cost to the public of intruding to the extent that's suggested in your questions. I'm certainly not willing to do it at this time. Some time it may be necessary, when that is in the public interest, but not right now.

You suggested that you weren't satisfied with the way the rates are calculated. There is another way of doing it, of course, and that is to actuarially cost every single driver in combination with his vehicle. I suggest to you that the cost of doing that would be astronomical—of taking you and your car and fitting it together to find the proper premium to cover the potential claim, and doing it for every other individual driver in this province. I don't think we can afford it—just the cost of calculating the rates.

Doing it on a group basis, a class basis and a regional basis seems to be the one that every insurance company uses, whether it's a public or private insurance company. They all use the same basis. We think that the basis is good. Everybody starts off with a clean record, regardless of what classification he's in. There is a discount for the good driver—was it 40 per cent maximum discount for the good driver? He gradually loses that as he proves that he's a bad driver. But everybody starts off from that position.

We looked at some of the young driver rates in the last couple of weeks. I'm appalled at what would happen if young drivers really paid the premium that's indicated by their driving experience. They simply wouldn't be able to drive. As a result, we all bear a share of the cost of allowing young drivers to drive. We are all paying for it.

If we did try to levy a self-liquidating premium on the young driver, there wouldn't be any. Most of them wouldn't be able to even come close to the premium that is justified by the accident and claims history in that group. It varies within the group. Young female drivers have a much better rate than young male drivers, and it's reflected in the premiums, but if we took every single young male driver, we'd be in trouble.

Having said that, and expressed the philosophical point of view, perhaps Mr. Thompson might like to expound.

**Mr. Thompson:** I'll start off with automobile insurance. We do license companies for various classes of insurance. There are some



11 or 12 different classes, but let us take automobile insurance as an example.

First, there's a standard automobile contract for use in Ontario, so there's no variation in contract. Every insurer—and when I'm talking about every insurer, I'm talking about some 183 companies that are operating in the marketplace here. Numbers create a problem, there is no question about it, with that large number. It's hard to find in the industry any one company that's dominant, or any company that's a leader. Traditionally, for decades, the automobile insurance industry has been highly competitive.

The situation we're facing now is a problem that's new in this industry. It's a lack of capacity. Several years ago there was a complete abundance of capacity, so this is a new situation and the industry is grappling with it.

Part of the reason they're grappling with it is because of our solvency requirements. It's necessary to keep it in balance because a good part of consumer protection is to ensure that the company that writes your automobile insurance will be able to pay your claim, will be around. That's a part of it, too. It's a factor that must enter into all of it.

You get a situation now where companies, to meet the various tests and standards that are set to continue writing, simply find—for example, one company had a surplus of \$16 million a year ago and lost \$9 million of it last year. By our tests, it can't continue to write as much insurance as it did. It had to go and get more capital to continue to write, just to renew its existing policies.

It is very difficult to say to a company like that, "You are not living up to your obligations because you don't write automobile insurance for everybody who comes in the door." They just can't do it. They don't have the capacity to do it. They don't have the capacity to keep on side and service their own business. This is a new problem everybody is grappling with. What we are talking about is finding it in the market. There are other companies which did have profit and do have capacity. What we keep grappling with is finding out where it is. With 180 companies it is difficult to find it. That is part of it.

I should also say that every automobile insurer is required, as a condition of licensing, to be a participant in the facility and the facility is for the high-risk driver. They have all entered into an agreement and are committed, in total, to supply an insurance market for the Province of Ontario on auto insurance. So far, they are doing it, but some

companies by reason of their present lack of capacity just can't write all the business that is available.

I would like to talk about tied sales because I don't agree with that either at all, and I don't hesitate to tell anybody we can find doing it. I hear about it, but it is difficult to find. Again that's talking very generally about it because I am looking at why a person is buying insurance with different companies. Why do they want to, because certainly part of the job of a good agent is to provide you with and balance your insurance protection. More important, he should be telling you what you are not insured for. There are various coverages that overlap, such as liability in the homeowner's policy and certain theft coverages which may apply over and above the auto policy. I think that anybody who is buying insurance individually should be aware or very sure that he knows what he is buying.

**Mr. Breagh:** Could I just interject at that point? I want to give you the most classic case I have ever had. A guy had his house insured for fire and contents. A fire happened over a year ago and he still hasn't got his settlement. He is in an argument with the adjuster, he is in an argument with two or three contractors and he is right up to his eyeballs. He is working in Milton and his wife is living in Minden. They have no house, they got stuck for a trailer for a couple of months because they had a little squabble with the insurance agent who came through.

The point you just made about the person buying the insurance, perhaps not being aware of exactly what he is getting or exactly what he is buying, is true without question. It is also true from a consumer's point of view that when you buy insurance from a company you should have some kind of an unwritten right to expect the company to perform in some way or at least to be around.

Lo and behold, when you make a claim you never see the company. What you see is the adjuster and a number of other people, but you don't deal with the company. There is a nice little buffer at work in there.

With automobile insurance, when you have a claim you don't deal with the company very much, you deal with the adjuster. You take the car around and get your estimates and all that kind of junk, and then you have a little haggling with the adjuster. Speaking directly to the point of how you deal with that situation, don't you really find that that is a widespread practice? What kind of



movements are you making in that particular area?

**Mr. Thompson:** We have a number of things. I will try to go back to where you ended, on claims practices. The insurance bureau set up a claims appraisal centre in Kitchener. It was a pilot project, and it has a number of applications to set them up throughout Ontario. The sole purpose of this is to avoid this business of going and getting two estimates and running around, then going to the company—and things like this.

This is set up on the basis that you can drive your car into the appraisal centre. There'll be an appraiser there and he'll give you an appraisal for the cost of repairs and say, "This is what it will cost." He will also go further and say, "You can get it repaired for this amount at any reputable garage within the community"—when there's an agreement between the centre and the reputable garages in the community. So that, theoretically, in the matter of a clear-cut case—where there's no question of liability, or if it's collision coverage or something—it should be handled very expeditiously. So there is work being done in that area, particularly on automobile claims.

I don't know about this fire claim. As I said before, we will be glad to inquire into it and see if there is. But most of the industry operates through adjusters.

**Mr. Breagh:** If I could just interject here at this point. That to me is a classic of someone who thought they had bought an insurance policy. The house burns down, and they get some money to get it fixed. It's then close to a year, and they have no settlement as yet. The best advice that we can get, and I think we've been dealing with your staff people on this, is that if they don't like what the adjuster offers, they can always go to court. For somebody who has been out of his house for over a year and has his family split in three different places, the prospect of going to court to fight an insurance company is really not very enticing. Surely there must be an alternative to that, or a way to regulate how those adjusters do their business, or how the insurance company eventually meets that claim.

**Mr. Thompson:** That brings all sorts of things to my mind. Did they not have an extended coverage policy that would take care of alternate housing, or things like this?

**Mr. Breagh:** Yes, that's how they got stuck for the \$700 for the trailer.

**Mr. Thompson:** Was that not all approved by the company? Were they not dealing with the company?

**Mr. Breagh:** They were dealing with an adjuster.

**Mr. Thompson:** I don't know who else they would deal with but an adjuster—be he a staff adjuster, or an adjuster at the claims department of the insurance company, or whether it's an independent adjuster the company appoints because he's there in the locality and knows the area. All I can say is that obviously somewhere along the line there must be a breakdown. I don't know what.

**Mr. Breagh:** I'll try to get that one out of your staff people, and I'll let you have a look at it.

**Mr. Thompson:** On the other question of tied sales, the only other comment I want to make on that is that I think at the present time some companies didn't have the capacity to write certain lines.

**Mr. Breagh:** Excuse me, how come they would get the capacity all of a sudden if the guy brought his other insurance into that company? That seems to me tantamount to blackmail, if you like.

**Mr. Thompson:** Again, I go back and say I hear these things and we look and we say, "Which company is doing it? Who said it?" I don't like the idea, and we don't hesitate to tell the company we don't like any concept of tied sales. But I think it's good advice to have one person who knows all the areas to look at all your insurance coverage. Maybe I'm begging the question on you, but I think that's only sensible.

If you are buying insurance, you should buy it from somebody who knows what they're selling you and then is committed to explaining to you what the coverages are. It's what you're not covered for that invariably gives you the problems.

[10:15]

**Mr. Breagh:** I was interested the other day—and I want to close my remarks on the insurance companies with this—in something that kind of brought the whole deal about insurance companies to mind. I, for some reason, just had a string of people who in the last week or so said that they had had the Tide sales routine done on them, the whole number done. And last week I was talking to the guy who was burned out a year ago and still hasn't got a settlement. On Saturday, I met a guy at the opening of a Humane



Society, and he explained to me that he had his cat insured. Now, I really thought that was the capper. In that week, I had dealt with somebody who had been burned out and couldn't get a settlement, somebody who wanted to buy insurance and couldn't get anybody to insure him, and on Saturday I met somebody who had his cat insured, \$20 deductible for fees, and with death benefits. That's the industry, right to a T.

**Mr. Chairman:** I hope he had a balanced policy.

**Mr. Breaugh:** I don't want to see him when he has trouble with the adjuster either.

**Mr. Grossman:** He has nine lives. He didn't need insurance.

**Mr. Chairman:** The list of speakers before me is Ms. Sandeman, Bernie Newman and Mr. Sweeney.

**Ms. Sandeman:** I would like to move away just briefly, if I may, from the narrow insurance question. I know some other speakers want to come back to it. I understand that under this vote are covered—besides insurance companies—trust companies, loan institutions, and that kind of thing. I'd just like to ask you, Mr. Minister, if you could update us on the fortunes of your guidelines on equality of access to credit for women that you handed out in the fall. I hope that you're getting better news about the success of the guidelines than I am.

I've had some complaints coming to me which suggest that however well-intentioned the industry may be, the word still hasn't got out to people who are responsible for granting credit to women. Attitudes, as you put it earlier, must change and now is the time. I believe you have a letter from one of my constituents who got married, had credit with the Sears store, and phoned the store requesting a name change only. The clerk requested information about her husband which she refused to provide, and in my view properly, since the account was to remain in her name only. Her husband was not to have signing privileges.

**Hon. Mr. Handleman:** If I can, Mr. Chairman, this really has nothing to do with this whole area of loan and trust companies—

**Ms. Sandeman:** Well, okay, tell me where we should talk about this item.

**Hon. Mr. Handleman:** The business practices division. I guess Ms. Moffat will not

be here but we'll try to have Mrs. Staff, who's also been working in this area.

**Ms. Sandeman:** It seems odd to me that you can range freely over all the business of the insurance companies, but the minute I pin you down to one action of loan companies which have to do with women, you defensively say, my God, I—

**Hon. Mr. Handleman:** Well, you mentioned Sears. They have nothing to do with the loan companies.

**Ms. Sandeman:** Okay, Sears presumably financed their loan.

**Hon. Mr. Handleman:** Sears is not licensed. Sears is not registered under this division in this vote.

**Ms. Sandeman:** Okay, well, let's leave out Sears. Can I ask you to comment, then, on how the loan companies, the trust companies and other credit-granting agencies which are covered in this vote are handling your guidelines? Is that narrow enough?

**Hon. Mr. Handleman:** They agreed to the guidelines either as individual companies or because they belonged to an association of credit granters of some kind. They subscribed to them, and to the best of our knowledge they have co-operated with us in disseminating the guidelines to their branches, to their loan credit managers. Again, we are responding to complaints. We have a booklet out now which you've probably seen, which is called "Credit and Women's Access to Credit in Ontario." This has been distributed throughout Ontario to all the lending agencies and we respond to complaints.

I don't recall the letter you mentioned. As far as I know, I've had two complaints. Some of them would go directly to the staff. I've had two complaints made to me, one of them was from a woman who showed me how she had solved the problem, to which all we can say is "amen." She had solved it in the way we would recommend.

But we have intervened in cases. As a matter of fact in one case where a company was not even aware of the guidelines because they had not been involved in negotiations, and was not a member of any of the organizations which had subscribed to the guidelines, we invited it to become a signatory. It agreed to abide by them. We said, "Now would you mind signing?" The same thing has happened in British Columbia, as a matter of fact. They've used exactly the same approach, taking, I think, our guide-



lines, and are using this industry voluntary approach.

But if there are—and we said this right at the beginning—sufficient numbers of instances that come to our attention that we find either indicate a deliberate attempt to avoid complying with the guidelines or an ignorance of them on a widespread basis, then we would obviously have to resort to legislation. I look on legislation in this kind of area, where we are talking about behaviour, as being a last resort. If we can get 95 per cent voluntary compliance, I don't think we should legislate for the other five. We would try to work on the other five.

So if you do have instances where people have found these attitudes prevail, the way to do it, of course, is to go to the head office as you would on any consumer complaint. Head office normally, you'll find, is quite willing to abide by not only the agreements but to change their attitude and to rap knuckles of those in their employ who haven't because it gives them a bad name. I think that's good consumer relations and this is the way we would operate, by going to the head office and saying, "Your branch manager in such-and-such a branch obviously either hasn't noticed your mailing or hasn't paid any heed to it. Would you do something about it?"

**Ms. Sandeman:** You mentioned aiming for a 95 per cent voluntary compliance. Do you feel we are approaching that from the feedback you are getting? Is the response very good?

**Hon. Mr. Handleman:** If I take the number of complaints that I have had personally, or that have been reported to me, I would say we are probably far over that. That doesn't mean there aren't violations taking place where people don't complain, and that's the problem we don't know about.

**Ms. Sandeman:** I think you have got the other side of the coin, which is that for years many women have taken for granted that these things happen to them when they go for credit. They don't know that things should have changed. It is going to take a while before booklets like that come out and women say, "Hey, he shouldn't have done that to me when I asked for a loan."

**Hon. Mr. Handleman:** Exactly, and I think we are using every information technique at our command, with the limited resources that we have, in order to get that message across. As you probably know, we have had a number of television and radio appearances by members of the staff. Ms. Moffat conducted

seminars for the civil service group in this area to try to inform them. I attended one of those and it was quite vigorous and quite lively; questions were being asked and answers given. We have had people from the credit industry come to those seminars and I think the message is being carried out. It is a bit of missionary work that we have to do on both sides, both to the consumer side and the credit grantor's side and I hope we give it time to let it work.

**Ms. Sandeman:** Can I encourage you in your efforts?

**Hon. Mr. Handleman:** I can use all of the encouragement I can get.

**Mr. B. Newman:** I wanted to ask a few questions of the minister and I think some of these may have been asked before. What does an agent do in a community, who has been selling automobile insurance for companies for years and years and all of a sudden he's told he is no longer wanted? I think I wrote to you on the one individual who was concerned but I had a lot of others in the year prior. He just went right out of business. What does he do? Doesn't the insurance company have some obligation to carry him on despite the fact that maybe one year his experience with the company didn't prove to be profit-making for the company?

**Hon. Mr. Handleman:** I think you would have to look at each individual case. I think most responsible people in industry do feel an obligation to their agents—I mean agents as a group. I think when there is consolidation at the insurer level, there is bound to be some consolidation at the agents' level. As the number of insurance companies doing business decreases, the number of agents probably will also have to suffer a relative shake-down.

**Mr. B. Newman:** We are not getting into the supermarket approach of insurance, are we?

**Hon. Mr. Handleman:** No, no, I am saying that people are in and out of the business and I think it's the kind of thing that happens in a market economy. Yes, I think most of them accept that they have a responsibility to the agents. You have probably noticed some of them have proposed a reduction in commissions recently and this is being vigorously opposed by the agents, I think with some justification. But there obviously is going to have to be some negotiation to iron



out the problems of the insurer-agent relationship.

**Mr. B. Newman:** They are just driving the man right out of business. If insurance companies want private enterprise to survive—

**Hon. Mr. Handleman:** You say they are driving him out. I will leave Mr. Thompson to explain to you what we do in the ministry to try to assist agents under those circumstances. I may have, again in my own constituency, a classic case of one we simply couldn't help. Dr. Shulman wrote about it in a column a few weeks ago and he mentioned this one particular case who had written to me. I think for the most part we do succeed in finding underwriters for agents—I'm not saying in most cases; perhaps Mr. Thompson can tell you the percentage of success we have; but the effort is made and we do want to keep the agents in business, certainly.

**Mr. Thompson:** I think the minister is so right when he says you have to look at each individual case very carefully. I couldn't agree more with the view that the fact that the man has had one year of bad experience when the whole industry has is hardly a reason for supporting it. On the other hand, when you have companies withdrawing from the market the agent has lost his supporting company.

Some agents haven't built a business in the sense they haven't gone out and tried to diversify a portfolio; they have been willing to take business as it came in off the street, be it auto business or something that no one else wants and things like this. I don't think some of these agents are going to survive in the system.

I think the agent who has conscientiously tried to build up a portfolio, has a good record on it, has acted for a number of companies, has actively gone to companies and sought markets for his business in matters like this has every opportunity to survive. Certainly, he has all the support we can give him in attempting to put him in touch with such markets that we may know are available.

I know the industry is working hard in this area. I know the agents' association is. They have liaison with the insurers' association on this to meet and discuss these cases and, again, try to find a supporting insurer or a number of insurers to support the business. Undoubtedly at this time, there is a reluctance to take on new agents who are untried in the minds of an insurer who's probably trying to keep his own agents supplied with

capacity and things like this. There have been some successes in this area. There have been some casualties, too.

**Hon. Mr. Handleman:** I think, in a troubled industry, it would be normal to expect some casualties; and while they are regrettable, I think they are inevitable in a market economy.

**Mr. B. Newman:** This all seemed to surface about three years ago and it seems to have been deteriorating ever since. It does disturb me that a man who has been successful in the insurance field for maybe 15 or 20 years all of a sudden finds that instead of having five or six companies for whom he sold automobile insurance, he now finds himself with only two companies. If the insurance industry doesn't try to help that man survive, the insurance industry is going to find itself in deep trouble as far as public attitudes are concerned.

What control is there as far as the adjuster is concerned? I always have it thrown at me by constituents that they get into a minor accident and the next thing they know their whole car is repaired.

**Hon. Mr. Handleman:** There are slightly over 1,000 registered adjusters in the province. Again, there has to be some measure of control. The adjuster is normally an independent operator, although some of them, as you know, are company employed. A company-employed adjuster, of course, is controlled by his company. There is some danger in that. The company may very well have a conflict in dealing with a claim. The company's natural tendency is to try to keep the claim as low as possible, and therefore the insured person can suspect the company-employed adjuster.

The independent adjuster, of course, depends for his livelihood on cases referred to him by the company, so that he can have a problem, too. I think for the most part, though, they try to operate as objective professionals in their field; they have to try to do that. Obviously they are not going to be successful in all cases.

Certainly, if you have an adjuster who consistently overpays on a claim by having the whole car repaired, and presumably refers this kind of business to certain garages, that kind of thing is going to become known to the companies very quickly and the adjuster will be out of business. So again, you depend to some extent on market conditions for control.



**Mr. B. Newman:** Mr. Minister, it is 10:30. If I have a chance tomorrow, if the committee is sitting, I'll continue then.

**Hon. Mr. Handleman:** We'll still be on this.

**Mr. Chairman:** I am sure the minister would love to go all evening.

**Hon. Mr. Handleman:** Oh, sure.

The committee adjourned at 10:30 p.m.



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Sandeman, G. (Peterborough NDP)

Stokes, J. E. (Lake Nipigon NDP)

Sweeney, J. (Kitchener-Wilmot L)

**Ministry of Consumer and Commercial Relations officials taking part:**

Bentley, J. W., Superintendent of Pensions, Pension Commission of Ontario

Dawson, M. B., Automobile and Property Insurance, Financial Institutions Div.

Thompson, M. A., Executive Director, Financial Institutions Div.

Wood, L., Insurance Services, Financial Institutions Div.



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# Legislature of Ontario

Ontario. Legislative Assembly

## Debates

SUPPLY COMMITTEE—1

ESTIMATES, MINISTRY OF HOUSING

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Wednesday, May 12, 1976

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

WEDNESDAY, MAY 12, 1976

The committee met at 2:08 p.m. in committee room No. 1.

#### ESTIMATES, MINISTRY OF HOUSING (continued)

**Mr. Chairman:** We have a quorum now if you are ready to start. We're on vote 2002, item 2. We will adjourn at 5 o'clock.

**Hon. Mr. Rhodes:** Mr. Chairman, before we start I would like to take this opportunity to provide to the critics the budgets of all OHC projects in Ontario. This is so you will have time to look through them, because there is quite a bit of detail in them, before we get to the housing vote.

**Mr. Cassidy:** To remind us of what?

**Hon. Mr. Rhodes:** To give you a chance to go through this material before we get to the housing vote, I want to make this available to you now so I present it to you.

**Mr. Cassidy:** I had wind of this from Mr. Rhodes some time ago. It means that you're opening the books for the first time; is that correct?

**Hon. Mr. Rhodes:** I'm very generous; we'll start with that and we'll work along. These documents are the budgets for the individual projects across the province. The background material is in the hands of the various housing authorities, but we can get it. This is really a computer printout of the material which deals with each of the projects.

**Mr. Cassidy:** Mr. Chairman, before we go on, I appreciate this, but to get it on the record this means that after however many years OHC has been in existence, for the first time you are making public the material on what you spend or what has been spent on the various projects and what you intend to spend on the various projects in the coming year. Is that correct?

**Hon. Mr. Rhodes:** Perhaps it's the first time it has been done in this way, but my understanding is that this material has been

made available to tenant organizations in the past. Mr. Riggs can comment on that. I understand that some of this material, if not all of it, has been made available.

**Mr. Cassidy:** If Mr. Riggs can name the tenant organizations, the tenants I know will be glad to know which organizations have had the information.

**Mrs. Campbell:** And mine.

**Mr. Riggs:** I would be delighted. In the preparation of the budget—I'll speak about the RPCIA and I'll speak about the Windsor Tenants Association, Bloomfield and projects of that nature—they have met with either the housing authority or the district managers in Metro. I know the RPCIA has particularly, because of the major upgrading going on there. In the preparation of many parts of that budget—not all but particularly the maintenance and improvement areas—there have been tenant associations in Ontario—not as many as we'd like to see and I think the minister will speak on that in our housing vote—many associations have had an input prior to the budget being put together. The documents you have there is the finished product.

**Mr. Cassidy:** So the answer is that the finished product has not been accessible to tenant organizations, although there has been consultation in certain limited cases. Is that right?

**Mr. Riggs:** That is correct.

**Mr. Cassidy:** Mr. Minister, I appreciate what you've done. We certainly have indicated that this is a step you ought to take—open the books—and I appreciate you have done so now; at least you are coming a long way towards doing that. But will tenant organizations which wish to examine this material be able to get copies of it from OHC?

**Hon. Mr. Rhodes:** As far as I am concerned, since it has been made public, certainly it's available to people who want it.



**Mr. Cassidy:** If the Federation of Tenants Associations wants to get several sets, for example, to distribute to the various regions, they can do that?

**Hon. Mr. Rhodes:** I see no problem with that. Mr. Riggs, there is no problem with that at all, is there?

**Mr. Cassidy:** There is no problem, okay. Is it also your intention that in future the OHC will continue to make this material available?

**Hon. Mr. Rhodes:** The material you have there now?

**Mr. Cassidy:** Yes.

**Mr. Riggs:** Sure.

**Mr. Cassidy:** That is a policy statement—yes, in other words?

**Hon. Mr. Rhodes:** You got a “yes” answer.

**Mr. Cassidy:** Okay. And if there is other financial information that also relates to OHC financing and so on, is that to be made accessible as well?

**Hon. Mr. Rhodes:** We will progress along that line, as you say, because it's one giant step for mankind and all this sort of thing. I have no desire to withhold information, and the information that can be made available will be made available.

**Mr. Cassidy:** The final question is, can you give us some lessons on how to understand it?

**Hon. Mr. Rhodes:** No. But if you get the course set up, I would like to attend it. It's not as difficult as it looks.

**Mr. Cassidy:** Anyway, I appreciate this, Mr. Minister.

**Mrs. Campbell:** I, too, would like to express my appreciation, because we have long been trying to get this information. But from what was said, and as a matter of understanding the procedure, I take it that this will be available where there are housing authorities; but what about the city of Toronto and the riding of St. George, where you are dealing directly, if you are, with OHC or through the intermediary of the developer's management outfit? What are the procedures for them to get this same information? We don't have housing authorities any more. Do they attend at OHC? How do they go about getting this information in the same way that anyone else does?

**Mr. Riggs:** Mr. Chairman, our district managers, who cover most of our housing in Metro, will be advised this afternoon. Any of our district managers will make this information available to any tenant association in Metro. In terms of private management, we have a unit in our head office headed up by a man called Ken Wallace—

**Mrs. Campbell:** Yes, I know Ken.

**Mr. Riggs:** You know him from the past, I think, Mrs. Campbell.

**Mrs. Campbell:** From Regent Park days; that's right.

**Mr. Riggs:** That's correct. He is in charge of the private management firms which manage a number of projects, and he will make this information available to tenant associations in those projects that are run by Montreal Trust, I believe, Greenwin and—

**Mrs. Campbell:** Meridian.

**Mr. Riggs:** Yes. So this information is available from the closest possible source to the tenant association.

**Mrs. Campbell:** Thank you.

**Mr. Cassidy:** I just have a couple of other questions, Mr. Chairman. One of the things in which tenants have been very interested is capital financing in terms of the mortgage information related to each of these projects. Another is the way in which the OHC overhead from the central part of the corporation is distributed out to the direct management projects and to the housing authorities.

Can they get what is not in here through contact with OHC in order to find out the basis of distribution of OHC overheads and the basis of the financing costs, which I believe were put in here under amortized capital cost?

**Mr. Riggs:** In terms of the interest rate on each of those projects, I think we could have that information prepared in the next few days. In terms of the overhead—

**Mr. Cassidy:** In other words, by “interest rate” you mean the schedule of payments and interest rate. Is that right? They need to know it's an interest rate against what as well.

**Mr. Riggs:** Yes, we have that for every project that is in that book.

**Mr. Cassidy:** Okay, good.

[2:15]



**Mr. Riggs:** In terms of the overhead, I wouldn't like to say until I talk to the director of finance, and I'll advise you accordingly as to what we have available on our records which would identify that part of OHC which is only OHC and not administration for the rest of the ministry. I'll try to have that information prior to our vote.

**Mr. Cassidy:** There's a distribution in the accounts, though, of the OHC direct overhead, which is so much. It may well be done on the basis of so many dollars per month per rentable room, or something like that.

**Mr. Riggs:** Mr. Chairman, there is a formula. In terms of the books you have before you, there is an OHC overhead and I think an administration fee—

**Mr. Cassidy:** That's correct, yes.

**Mr. Riggs:** —and we can break both those down for the members.

**Mr. Cassidy:** I think they would also like, if possible, to have some indication of how the central office expenses are calculated which make up the amount that's then distributed out by whatever formula.

**Mr. Riggs:** Mr. Chairman, that would work back into the OHC overhead, and the calculation of that would relate to the head office plus the districts and the housing authorities and direct management.

**Mr. Cassidy:** I believe they are looking for that, too. As the minister said, these things will unfold, but I'd like to encourage the unfolding as quickly as possible.

**Mr. Riggs:** I'll do my best to have that information for you.

**Mr. Cassidy:** Thank you very much.

**Mrs. Campbell:** Is it possible at the same time to get copies of the management contracts, where they are in the hands of private developers? Is that kind of information available?

**Mr. Riggs:** Mr. Chairman, they were tabled before. It's entirely up to you, Mr. Minister. We could table them again.

**Hon. Mr. Rhodes:** Table them again.

**Mrs. Campbell:** Sorry, I must have missed them. I didn't get them. Did you get them?

**Mr. Cassidy:** Not me.

**Mr. Riggs:** This was a year or so ago.

**Mr. Chairman:** We'll start on item 2. Mr. Hall was finishing last day, so he can continue. I haven't any other names down, so if you wish to speak would you let me know?

**Hon. Mr. Rhodes:** I just want to draw to your attention, Mr. Chairman, and to the attention of the hon. member, Mr. Hall, that it's his turn to buy the coffee. I just thought I'd mention that.

**Mr. Hall:** I think that's only fair.

**Hon. Mr. Rhodes:** There's no page.

**Mr. Hall:** I'll put my money on the line now.

**Mrs. Campbell:** Let it not be noted that this is some form of bribery.

**Mr. Chairman:** Does that vote carry?

**Hon. Mr. Rhodes:** Unanimously.

**Mr. Chairman:** Mr. Hall?

**Mr. Hall:** Having been taken once, I'll probably get taken again. I had a little note here, left over from the other day, on this urban development standards thing. You made a distribution of it. To whom did it go?

**Hon. Mr. Rhodes:** We sent it to the municipalities and to other agencies of government as well.

**Mr. Hall:** Did you send one copy to a municipality? And if so, who in each municipality would be apt to receive it?

**Hon. Mr. Rhodes:** Usually we sent it to the clerk with the expectation that it will go from him to the municipal engineers, because they are the people who probably will want to comment on it, both to us and to their own council.

**Mr. Hall:** I think it can make a difference sometimes, to be perfectly candid about it, whether it gets into the hands of the elected representatives of the municipality or the staff people in such municipalities. If it gets into the elected members hands then I know it will eventually go to the other, but if it gets to the hands of staff first I don't know that it will eventually ever get to the alderman's hands.

**Hon. Mr. Rhodes:** I certainly stand to be corrected, but I've always been under the impression that when you were communicating with a municipality that material which went to the clerk was supposed to be then



brought to the next council meeting and presented to the mayor and council.

**Mr. Hall:** That's a premise I've always operated on too. I never was sure whether it works.

**Hon. Mr. Rhodes:** I agree with you, I think that it has to be in the hands of the elected representatives. What we have done with the first printing of it was to get out a copy to each of the municipalities, and if they require more we can certainly see that they get more.

**Mr. Hall:** We were talking about the matter of delegation of control over plans administration material to areas, and we were having a dialogue. I think the final conclusion of our dialogue with respect to the region of Niagara was that they did not yet have this; they had not yet requested this. Is this the case?

**Mr. Wronski:** Mr. Chairman, under the legislation, we have to wait for the request of the municipality. We now have requests from the municipality of Durham and district of Muskoka; and we are now talking to Niagara with an idea of getting the request as soon as possible. They are getting ready for it.

**Mr. Hall:** In these other areas, have their official plans all been accepted by the ministry?

**Mr. Wronski:** No, we have only two official plans in front of the minister right now. One is from the regional municipality of Ottawa-Carleton and the other one is Kitchener-Waterloo.

Niagara has submitted a plan and, as you know, has its problems. It is being negotiated at this time.

**Mr. Hall:** The individual official plans that had been approved by the OMB in recent years for different communities within a regional territory or municipality, are they subject to automatic change if a regional official plan ends up at variance with them?

**Mr. Wronski:** Under the legislation, they have to conform and, therefore, they have to be amended. The actual procedure has not been established, because we are not faced with the problem. There is no such thing as automatic amendment. The plan would have to be amended by the local municipality.

**Mr. Hall:** I do believe you face that problem precisely with the city of St. Catharines.

Its official plan was approved by the OMB; and yet in your regional official plan you are still having discussions with the regional municipality.

**Mr. Wronski:** The regional plan is at variance with the plan for St. Catharines. The city of St. Catharines will have to amend its plan to conform with the approved official plan of the region.

**Mr. Hall:** To answer my point, the official plans, even though approved by the OMB, of boroughs of regional governments—

**Mr. Wronski:** Will have to be changed.

**Mr. Hall:** —are subservient to the regional plan when it comes into place.

**Mr. Wronski:** That is correct.

**Mr. Hall:** Okay, you say that you only have two areas that have reached the status of acceptable official plans on a regional basis. But what happens in the interim where a borough has a plan and the region doesn't have a plan? Is there any hold-up in the activities that are permissible?

**Mr. Wronski:** Only to the point, Mr. Chairman, that we seek the comments of the regional government on the proposal from—

**Mr. Hall:** On an individual application, right?

**Mr. Wronski:** Whether it is a subdivision, or an amendment to the existing local official plan.

**Mr. Hall:** The official plan is still a separate document from the urban area boundary of a region, or of municipalities within a region—is that correct?

**Mr. Wronski:** The urban development boundary in any of the regional plans is part of the regional official plan. It depends on the extent to which the region envisages they will be growing over the period of years the plan covers.

**Mr. Hall:** Is it not essentially a fact that an official plan is a broad growth directive, or land use directive, put into function and effect by a specific zoning bylaw to establish a certain period of time frame? Which, in your mind, is of longer duration and validity—the official plan, area urban boundary plan, or zoning bylaw? Just what is the long-term one and what is the short-term one?

**Mr. Wronski:** I don't think I would make any of these kinds of distinctions, Mr. Chair-



man. I think that the official plan offers the guidelines, the basic guide to municipalities—the component parts of a region or a municipality, if it is a municipality in its own rights. This is a guide on how to proceed with the development of whatever objectives they have in mind for redevelopment; or the protection of the amenities that exist at that time in the town or city. While the zoning by-law for subdivision processing is basically the implementing tool of that official plan. So I don't think that the question of the length of their validity really arises. They are two different tools for two different purposes.

**Mr. Hall:** Well in this sense, Mr. Wronski, to be specific again, I am aware and have seen maps, say of our local municipality, which in the official plan is recognized as having a potential desired future residential use, or agricultural use, or some other type of use. Those who aren't imminently ready to go ahead, the local municipality in its wisdom zones them, say, for neighbourhood development. They still mean to be residential at some time in the future, but they've put it into a holding category which gives the person notice, of course, but means that another look will have to be taken at it before it is rezoned to an active category.

So, in that sense, it seems to me that the official plan should have a longer life than a zoning bylaw. The map will have to suffer amendments as growth occurs within the planned area.

**Mr. Wronski:** From my point of view the official plan is a superior document presenting the longer-term policy for city development, and when development is proposed and it complies with that plan the zoning bylaw is used to implement it.

**Mr. Hall:** That's right. Now the urban area boundary thing is a relatively new and added tool, or burden, depending upon your point of view, and even though land may be considered of a certain use on the official plan and be in a holding zone on a zoning bylaw, supposing it then falls outside the urban area development plan, does that urban area development plan have a time frame for it? Is it supposed to be four or five years only, or something like that?

**Mr. Wronski:** I am not quite sure what you mean by the urban boundary line. I understand, and I am fairly sure, that urban boundary is a designation of the total growth potential which is indicated in the official plan.

**Mr. Hall:** They are discussing these urban service area boundaries down our way all the time now and submissions are being made on them.

**Mr. Wronski:** They obviously should be contained within the urban boundary of the total growth of the region.

**Mr. Hall:** Yes, but this is total growth of the region then? Not five-year growth? Total growth?

**Mr. Wronski:** Right. There may be phasing imposed in the plan that, for instance, part of that growth area, the watershed, will be developed within the next five years, 10 years, 15, depending on the capital financing which the region or the local municipality can assign to it.

**Mr. Hall:** So the delineation of an urban area services boundary in a community may actually take out of any particular zoning category land that, by a previous decision and previous quality of thinking, had been in a development pattern for the future?

**Mr. Wronski:** If you do so, the region puts that kind of condition—

**Mr. Hall:** Then there'd have to be a revision to the zoning bylaw at that time to permanently kick it out and give notice that it won't be utilized?

**Mr. Wronski:** The zoning by-law will have to conform to both the local official plan and regional plan, which would be obviously the same.

**Mr. Hall:** Okay. Going on from there, I just want to understand a little bit more, and maybe it's under plans administration; you certainly have to be involved with this to a certain extent now. Why, under the Niagara Escarpment Planning and Development Act, did they take a planning area that at some points was as far as nine miles away from the Escarpment?

**Mr. Wronski:** As you know very well, Mr. Chairman, we are not responsible for either the designation of the planning area or the development control area of the Escarpment. This is in the purview of the Treasurer's (Mr. McKeough) powers. He administers that particular Act and is in charge of that agency.

However, I can only give you my own appreciation that the original planning area was defined on the basis of the planning studies which were carried out over a period of years together with the study of the



Niagara Escarpment as an area which should be protected.

[2:30]

However, the development control area was the most critical area which obviously had to be protected. The difference between the development area in the planning area and the local official plans was there was sufficient control where they were in operation. In the area of development control, because of the very critical aspect of the lands, their topography and their value from the point of view of tourism or uniqueness in Ontario, these lands have to have special protection.

The original planning area, therefore, was the outcome of the overall study prepared some time ago. It is an area in the jurisdiction of the Niagara Escarpment Commission, and over which it will eventually, as as soon as possible, prepare a development plan.

**Mr. Hall:** However the planning area was determined, it was determined by physical inspection of the property, was it?

**Mr. Wronski:** I can't tell you exactly; I am quite sure it was because the study was very comprehensive.

**Mr. Hall:** There seem to be so many jigs and jogs in the boundary that it is very hard to understand. It affects different sections of boroughs without any obvious reason to the outsider. The reason I am mentioning this now is a discussion I was having on Monday as to who has the final authority on all these interwoven factors which have to be taken into account. When does a municipality get to the point when it says "It has taken a lot of time. We have talked to a lot of people but now we know what we have and where we can go until the next change comes"?

**Mr. Wronski:** I am sure that the Treasury staff and the Treasurer himself can answer that question much better because it was under their jurisdiction as to where the demarcation lines were drawn. Our office, our ministry, had nothing to do with it.

**Mr. Hall:** However, you have, I think, enlightened me to the point of saying that the official plan of a region will be the top document, in effect, and that will have in it and be consistent with an urban area service boundary plan.

**Mr. Wronski:** We hope so, yes.

**Mr. Hall:** All zoning bylaws, if they do not comply, will have to comply with that

and in the interim, when municipalities have such documents and the regional body does not have the documents, nothing will be delayed; it is just that you will seek comments.

**Mr. Wronski:** That's correct.

**Mr. Hall:** I have learned something there. Maybe I am skipping over to the next vote—I have so many places to look here. Urban development in rural areas—you mentioned it in your general opening prayer, Mr. Minister.

**Hon. Mr. Rhodes:** If mine was a prayer, Cassidy's was a sermon.

**Mr. Hall:** You have a study which you did, UDIRA; is that in a later vote? Is this improper to bring up now? I am interested in what you are doing in these studies to encourage housing in areas less competitive with agriculture.

**Mr. Wronski:** The ministry has introduced a rather radical change into the so-called UDIRA policy, which was the policy dealing with urban development in rural areas. As you may be aware, before that change the simple rule of a 25-acre lot obtained as a division of favours unless it was done for very specific farm purposes. That rule, of course, was applicable across the country and created several inconsistencies as far as it concerned the actual utilization of land which was not necessarily useful for agricultural purposes. What the ministry has done is it has invited and supported all counties and all division committees within counties in Ontario to prepare their own policies for the approval of the minister so that local differences and local specific characteristics would be observed and so that the local people have the biggest input in determining the policy of land division. We have now distributed several thousands of grants to local counties and the committees of land division so that they can prepare those policies either by using consultants or directly supporting their staffs. These policies are coming for the minister's approval and then will be the kind of policy which will be observed by the land division committees in that county.

**Mr. Hall:** We are not talking about what I had hoped we were talking about. You are talking about giving them the proper tools and up-to-date guidelines on how to start developments. I was more concerned about concrete steps and studies to make it economically feasible to use lower class lands. This is what my concept of that title would have been; I think we are talking about different things.



**Mr. Wronski:** The only action we have taken in that respect is the one I am talking about. It is the local prerogative now to present the policy of land division of all agricultural lands to the ministry.

**Mr. Hall:** I was thinking of studies which would result in acceptable standards of servicing being somewhat more relaxed and at least less expensive than what is demanded in a fully urban setting, which would remove this competition for the best lands between urban use and agricultural use. In this sense I meant we were possibly talking about different things.

**Hon. Mr. Rhodes:** I think, Mr. Hall, in that particular area, as far as the standards of servicing are concerned and what we can apply, we rely on the advice and the direction we get from the Ministry of the Environment as to what they would be prepared to permit in any particular area and what size lots they would require or if the developers would be required to use other forms of servicing such as septic tanks, Aerobic or what have you. They are doing some work in that area.

**Mr. Hall:** Fine.

**Mrs. Campbell:** I wondered if I could find out from you what input, if any, you as a ministry have in the ongoing dichotomies referring to planning in Metro vis-à-vis the city. I recognize the role of TEIGA in any of these discussions. Do you have any input at all in this situation?

**Mr. Wronski:** Yes, we have a planning liaison committee with the Metropolitan Toronto planning organization. The committee on the provincial side is composed of the Ministry of Housing, Ministries of the Environment and Natural Resources and MTC. Those are the basic agencies although there are a number of semi-governmental agencies also involved. The purpose of that particular liaison committee is, first of all, to reconcile any existing provincial policies with the Metropolitan plan as well as to try to reconcile the local—that is, the city and the borough policies—with the Metropolitan plan. We are co-operating with Metropolitan Toronto in that respect.

**Mrs. Campbell:** I see. When you find this developing problem with the ambitions of Metro and you are co-operating with Metro, who is co-operating with the city in trying at least to look at the problems which face the city with Metro's overwhelming desire to take over the planning south of Bloor St. as far as I can see?

**Mr. Wronski:** When I said we co-operate, I didn't mean we support Metro.

**Mrs. Campbell:** All right. I would like to know who is co-operating with the city and its very real concerns?

**Mr. Wronski:** As far as the question of the city objectives are concerned they are as important to us because basically they are supporting the TCR plan and the provincial policies. They are as important to us as anything which Metro may conceive because, as you know, they are not yet at this stage. They have a draft plan, which I understand is being discussed by the advisory committee, not even by council.

**Mrs. Campbell:** I see. So, as for the people in Toronto—I am not speaking of the council or the mayor and the executive committee; I'm speaking about the people at large, who have very real concerns—what would I tell them as to the status of this matter at this point in time?

**Mr. Wronski:** May I answer that, Mr. Chairman? For instance, the city core report, which is a very significant one for the city of Toronto, has now been submitted to the minister. The minister will be looking at it with the idea of approving it or suggesting certain changes to it. Therefore, the ministry is very much aware of the city objectives.

**Mrs. Campbell:** Is the ministry also aware of the terrible concerns of the residents in the core area, in that they feel that they have been totally disregarded—not in the objectives that have been stated, but in the fact that they read that the objectives are not being supported in the proposals?

**Hon. Mr. Rhodes:** Do you mean, Mrs. Campbell, that the objectives of the people in the core area are being neglected by the city?

**Mrs. Campbell:** Perhaps I should have brought out a recent newsletter from Kensington as an example. They are quite specific about the briefs they have presented and all the rest of it, and the fact that they feel very strongly that their position has been overlooked, shall we say, by everybody.

They are not alone, but they are the ones at this point in time who are most specific in writing about their concerns. Their feeling, of course, is that it's part of the whole core area. Their specific feelings are that the objectives of the developers, the merchants and big business have been pretty



thoroughly protected but that the residents' point of view in the central core proposals have not been protected.

**Hon. Mr. Rhodes:** Mrs. Campbell, does this not lie, at this stage certainly, in the dialogue between the residents and the municipal council as to the planning?

**Mrs. Campbell:** Without question.

**Hon. Mr. Rhodes:** It has not even come to us as yet. The core report has come in, but as I have said many times before, in the minds of people living in Toronto—and I appreciate this—they don't seem to differentiate between that which is their municipal responsibility and that which is the province's responsibility.

**Mrs. Campbell:** No, they do. They are differentiating very clearly. Their first thrust is against their own council. But, as I see it, it is a part of a wider problem with such things as the central core, including who, in the final analysis, is going to be planning the central core of the city. It's all part of the overall plan, and that's what I'm trying to get at.

**Mr. Wronski:** Mr. Chairman, I think that a very basic objective of the planning arm of this ministry is to limit our interference with municipal life to matters of provincial concern. Obviously, therefore, if anything happens in the city of Toronto, which is one of the most significant municipalities in the whole of the province, it affects—

**Mrs. Campbell:** Are you talking about Toronto or Metro Toronto?

**Mr. Wronski:** I am using a generic term.

**Mrs. Campbell:** I see.

**Mr. Wronski:** Specifically, the questions of employment downtown and of the delivery of people by commuter rail, for which the province is responsible, are obviously of provincial interest. This ministry, and the minister, I'm quite sure, will pay very specific attention to these issues. But, for instance, the questions of neighbourhood development, redevelopment, amenities, preservation, rehabilitation, surely are matters of municipal concern—  
[2:45]

**Mrs. Campbell:** Without question.

**Mr. Wronski:**—whether it's the local or metropolitan level?

**Mrs. Campbell:** Without question. I was not trying to put that responsibility on you.

I had started from the major thrust of who is going to plan downtown Toronto in the final analysis and what your input is into that, and then reduced it to the concerns of the local area, just to show, if I might, the very real problems that there are. I suppose it's the same sort of thing as you have mentioned in transportation. I am concerned to know what the policy of this province is, because we hear about the provisions for increased use of GO service. I wonder if there is anybody, anywhere, looking at whether or not that creates a further centralization in this area or whether perhaps there are other alternatives. It is not as narrow as it appeared. I was simply trying to give you some for instances of concern, when you mentioned the central core plans.

**Hon. Mr. Rhodes:** I think it is fair to say that any discussions that will go on—and they will certainly be going on over the next while—are going to involve a variety of levels, but certainly we will be dealing with the city on any development.

**Mrs. Campbell:** Good.

**Hon. Mr. Rhodes:** The East-of-Bay project is probably an excellent example of where we will be dealing with the municipality on anything that is happening there.

**Mrs. Campbell:** And are you dealing with that?

**Hon. Mr. Rhodes:** Yes, we will be dealing with that.

**Mrs. Campbell:** What has happened to it? As I recall, that was quite an election issue in the year 1973.

**Hon. Mr. Rhodes:** The 1973 municipal elections?

**Mrs. Campbell:** No, no; a by-election in the province.

**Hon. Mr. Rhodes:** I don't remember that one.

**Mrs. Campbell:** You don't?

**Hon. Mr. Rhodes:** Oh, 1973? I remember it now.

**Mrs. Campbell:** It was when the Bobbsey twins came into the Legislature.

**Hon. Mr. Rhodes:** That's when George Samis won Cornwall, wasn't it? And there was another chap from Carleton East, as I recall.

**Mrs. Campbell:** Yes, Taylor. That wasn't in 1973. And the Hurons were revived. I



thought they had disappeared but they revived and were in the House that day.

**Hon. Mr. Rhodes:** That's right, we got a Riddell at that time, yes.

**Mrs. Campbell:** It is interesting that it is your function and that you are dealing exclusively with that particular project.

**Hon. Mr. Rhodes:** I don't think we are dealing exclusively with any, but we are involved and we are dealing with the city primarily on it. Mr. Wronski could tell you.

**Mr. Wronski:** We are working toward establishment of a committee right now.

**Mrs. Campbell:** Another committee?

**Mr. Wronski:** A steering committee for the actual design of the programme.

**Hon. Mr. Rhodes:** That core report has to have a fair bearing on what happens.

**Mrs. Campbell:** Oh yes, indeed it does.

**Mr. Wronski:** The core report gave us the guidelines for the kind of development the city wants in that central core area.

**Hon. Mr. Rhodes:** Another very important part of that too is the development of the housing policy statement by the city of Toronto, which we will be working with very closely as well, to see when that report is completed how it is going to be implemented and how it is going to tie in with the total core. So the work with the city is very close, and it is with the city as opposed to Metro.

**Mrs. Campbell:** I was just a little worried when I read about Mr. Gertler and Mr. Wronski and a whole lot of other people coming to the province, we seem to be getting some graduates from Metro all over the place.

**Mr. Wronski:** Gertler is a city graduate.

**Mrs. Campbell:** Yes, I know.

**Hon. Mr. Rhodes:** There is nothing in the world like a reformed sinner.

**Mr. Chairman:** Mr. Williams is next.

**Mr. Williams:** Mr. Chairman, with regard to the minister's opening statement, I think that most certainly it is a welcome procedure to have such a well laid out presentation with a definitive recognition of the problems and some attempt to provide some suggested solutions to problems. The one area of

particular concern which I've always felt in recent times was one of the major contributing factors—if not the major one—to the high cost of land and real estate, housing, was the bureaucracy which exists at all levels; the provincial and local level. I think perhaps the minister's statement didn't spend enough time on this particular area of concern because it's one over which we do have some direct control.

There are other aspects, of course, of the housing problem. One is the very important consideration of funding, but in the area where there's no government-assisted housing, of course, that's a problem which up to this date has been largely beyond our control. It seems to me that greater emphasis has to be put on what this government can be doing in the way of showing initiative to speed up the process.

I think it was Mrs. Campbell who mentioned in her opening remarks that she was somewhat distressed at the long period of time involved in bringing plans onstream, if you will, from the date of conception to the point at which people were actually moving into their homes. I don't think there's any basic disagreement with that criticism although I think to make her point she used the extreme of places in the United States she said she was familiar with, where some planning procedures are introduced and carried through within a two-week period, which I find a little far-fetched. If that's the case, I can only suggest that the time factor involved is only in relation to the quality of planning that would obviously come out of that type of presentation.

At the other end of the spectrum, of course, is the situation which has been growing continually worse within the province and that is the time lag factor in planning here. I don't totally agree with the criticism because while it has been a contributing factor and it must be remedied, I think there have been decided advantages flowing from it. Those are essentially, of course, that we have been getting perhaps the best type of land-use planning and land-use policies you'll find anywhere when you compare them to some of these other jurisdictions, such as you find in the United States, where they have these whirlwind processing procedures, if any procedures at all.

To put the matter in perspective, I think all of us in our time have probably had an opportunity to visit these other jurisdictions, and we've been appalled at the limited amount of planning—in some instances none



at all—particularly when it applies to some of the large urban areas in the United States.

I think it was quite right of you, Mr. Minister, to point out in your response to some of the criticism and to put it in perspective that those who are over-critical of our system here should be reminded of what's lacking in other jurisdictions so that we have a fair comparison. Certainly, visiting other jurisdictions specifically to consider planning matters, I've been impressed with the fact that, without exception, planning experts in those other jurisdictions have always referred to Ontario as being the leader in the field. They have themselves visited this jurisdiction to talk with our officials for some indications as to how we are achieving as well as we are.

Be that as it may, that still does not completely answer the problem we're confronted with today, and that is the time factor involved, both at the provincial and the local level.

Without passing the buck, I think the biggest concern lies at the local level, both with regard to the administrative aspect of the processing and at the political level.

I, for one, have certainly become appalled over what has been developing in recent years. It seems that at the political level, the politicians have become so over-sensitive to any form of criticism at all, and the no-growth concept has become so prevalent, that this is indeed what is happening. There is no reasonable development taking place, in some instances based on even one individual objection being filed on sometimes the most conventional type of application that would be before a municipal council. Applications that normally should be processed within a 30 or 60 day period are, as Mrs. Campbell pointed out, sometimes taking as much as a year to two years. And this, I suggest, is irresponsible behaviour. The responsibility for this can be directed, I think to some extent, at the local politicians.

It seems, Mr. Minister, that the name of the game today is to have community participation to the nth degree, as is happening in the city of Toronto. The politicians are inviting the people to come and do the planning for them, so they know how to make the decisions. As one or two members of the well-known reform caucus in the city of Toronto suggest, the only true democratic way of planning is to let the people in the communities come in and tell the politicians, who are elected to make decisions, what they should be doing.

Mr. Makarchuk: Better the people than Greenwin or Cadillac.

Mr. Williams: It gets to the point of being ludicrous; there is actually no one in control and no one prepared to make a decision. As I say, I guess the city of Toronto is the prime example of that no-growth, negative attitude. The irony of it all, Mr. Minister, is the fact that many people are deluded into thinking that the no-growth reformers are doing the people a favour. In fact, by causing the delays and causing the private sector to move out of the area and to not have the confidence of the public sector in that given area, they exaggerate an already difficult housing problem.

Again, the city of Toronto is a prime example of this, and people think they are being done a favour. In fact, it is this attitude at the local level that is contributing in large measure to the accelerating cost of housing, because there isn't the usual amount of additional housing coming on stream in a given 12-month period.

I think you only have to talk to people in the building industry to very quickly learn they are virtually abandoning municipalities that take this clear-cut attitude toward their industry, that they are not wanted in the community. And yet it is the ultimate consumer who is the one being hurt and not the builders, because to them time is money. So long as the no-growth attitudes of the politicians prevail, projects that would normally take 60 days to bring on stream are perhaps taking 360 days and the cost of that project has accelerated accordingly, along with the inflationary pattern.

[3:00]

The public may erroneously think the developer or the builder is being stuck with the cost. But of course it is the consumer who winds up paying the additional cost. It is unfortunate that message isn't being brought home more loudly and clearly to the public. Mr. Minister, to point out where some of the responsibility for the high cost of housing lies. It has to be at the doorstep of those who take an extreme attitude toward provision of responsible housing programmes.

On the other hand, Mr. Minister, while this type of attitude is perhaps one of the identifiable factors accelerating the problem or intensifying the problem, the administrative aspect of it also has to be one of great concern. I believe, and Mr. Wronski can correct me if I am wrong, that the Planning Act still contains the proviso, which is seldom, if ever, used, that if a municipi-



pality does not deal with a subdivision rezoning application within I think a 30-day period, the applicant could, in effect, bypass the local municipality and take the matter directly to the provincial authorities.

Mr. Wronski, is that a correct observation?

Mr. Wronski: Thirty days.

Mr. Williams: And that provision is still in the Planning Act, I think.

Mr. Wronski: That is correct.

Mr. Williams: Could you indicate, Mr. Wronski—and I guess that has to be considered an unrealistic time factor—has that provision ever been used to any great extent?

Mr. Wronski: It has been used, Mr. Chairman, but not necessarily within the 30-day period. If there is a lengthy delay, that clause can be invoked by the developer and it must be sent on to the ministry. Thirty days may be an unrealistic time for the municipalities. If you have a large development proposal it obviously takes a little bit of time to consider.

Mr. Williams: Mr. Minister, what concerns me is that when that section has been relied upon by a builder, who out of frustration has decided to go directly to the province or to the OMB, on more than one occasion I know of situations where the OMB has felt that, while they have come directly to it, the OMB cannot make an informed decision without having some local input, so it eventually refers it back to the local municipality anyhow, and all it does is perhaps kindle the fire that hadn't been built under the municipality in the first place to get them moving within a reasonable period of time.

So while in theory the Act has some provisos to try to provide equitable time parameters, in fact they haven't been put into practice, I think primarily because the 30-day period is really a ludicrous time frame to have in the legislation, and so it has been very seldom used, and when it has been not very successfully.

So it seems to me, Mr. Minister—and I am sure this is a matter that Mr. Comay will have under consideration in review of the Planning Act—that if there are going to be time parameters applied against local municipalities they have to be realistic ones, and ones that will be able to be, in effect, enforced, in that if a municipality does not meet the reasonable time limits the project could be referred to the province and it

would be dealt with by the province without referral back to the local municipality.

As those members in this committee who have been in municipal politics in the past know, I think there is nothing worse than losing control over the local situation. If they know they will have lost control, rather than being able to say, "Well, don't worry, it will be referred back to us by the OMB in any event," then I think they would realize that the province is serious about the matter and that time is an essential ingredient in providing a reasonable response to the so-called housing crisis situation. As an example, Mr. Minister, speaking from my own experience, I can think of more than one instance where a subdivision plan application has come forward to the local planning board; it may have been filed in March of any given year and gets to the local planning board in May. Perhaps one person comes up and opposes the application; therefore, the matter is deferred for a month by the local planning board because one person came by after the whole community was served with a notice; perhaps he didn't make the effort to review the details of the proposal beforehand, but he came to the public meeting and said: "Well, I haven't had time to look into the matter—and maybe legitimately so. In any event, he feels the matter should be deferred.

When the matter comes on again a month later, in the middle of June, someone else may come up and object, and the planning board says, "Let's defer the matter for another month." Then, of course, the protests are loud and clear to the effect that we're into the middle of the summer, it's July and August and people are away on holidays, so we mustn't have it brought on again until September. In fact, a three-month delay period can work into perhaps a year and a half's delay, because by the time you get into the seasonal building period—

Mr. Laughren: Who are you blaming for this?

Mr. Williams: I am suggesting that the local municipalities in large part are to blame, whether it be the planning boards or the elected politicians.

Mr. Cassidy: Weren't you a municipal politician yourself?

Mr. Williams: That's right; very much so. And I'm speaking from personal experience.

Mr. Cassidy: You're blaming yourself then.

Mr. Williams: I think, Mr. Cassidy, that perhaps I add a minority view to that over-



responsiveness to the citizens. I felt there was a point at which they had been heard and heard fairly, and it was time to get on with the job.

**Mr. Cassidy:** It's time to get on with the job—

**Mr. Laughren:** And stop listening to all those people out there?

**Mr. Williams:** Pardon, Mr. Cassidy?

**Mr. Cassidy:** It's time to get on with the job, regardless of whether there's sort of a feeling among people that they want municipalities to listen to them too.

**Mr. Williams:** No, after the hearings have been held, Mr. Cassidy, I think the decisions have to be made; but there are some politicians who find the only way they can survive is to procrastinate and sit on the fence as long as they can for fear of offending anybody or making a decision that might have substance to it.

**Mr. Bain:** It's your government. You've been here for 33 years.

**Mr. Williams:** Certainly this is one of the problems that we're confronted with.

**Mr. Laughren:** You wouldn't be arbitrary now, would you? You need a semblance of democracy.

**Hon. Mr. Rhodes:** Mr. Chairman, that's an interesting comment. I certainly believe in the input of people and in democracy—

**An hon. member:** Sure, right.

**Hon. Mr. Rhodes:** —and all of the things you espouse, but why do you keep telling me I should overrule the municipalities?

**Mr. Laughren:** Who told you that?

**Hon. Mr. Rhodes:** Your caucus—regularly.

**Mr. Cassidy:** Not true.

**Hon. Mr. Rhodes:** Through your critic.

**Mr. Cassidy:** Not true.

**Hon. Mr. Rhodes:** Read through the records.

**Mr. Makarchuk:** Mr. Minister, you are confusing the issue totally.

**Hon. Mr. Rhodes:** Oh, no.

**Mr. Williams:** Mr. Minister, I think I was speaking; perhaps I might continue.

**Mr. Makarchuk:** You are sitting here and on the one hand you're blaming the local politicians—

**Mr. Chairman:** Order. Mr. Williams has the floor.

**Mr. Williams:** Mr. Chairman, our friend can speak when you put him down to speak, if he wishes.

**Mr. Makarchuk:** Let's get away from that nonsense, Mr. Minister. I think it should be incumbent upon you to follow—

**Mr. Williams:** Mr. Chairman, as a result, it seems that the—

**Mr. Makarchuk:** —the democratic processes, limited as they are and not listen to this garbage about the assumption that there is a horde of people—

**Mr. Chairman:** Order, please. Mr. Williams will please continue.

**Mr. Makarchuk:** —who are the ones who are holding everything up, and that's the reason we've got the problems. That's crap, and you know it.

**Mr. Williams:** I heard somebody speaking in the House the other night about having once owned a hog farm, and I can see where the experience is coming from.

Interjections.

**Mr. Williams:** Mr. Chairman, do you recall? Thank you. What turns out to be an over-sensitive reaction to an objection—I might point out, by the way, as an interjection, I think the city of Toronto is a perfect example; I don't think the council has public hearings on rezoning matters or planning matters. I think they have it only at the planning board level, don't they, Mrs. Campbell?

**Mrs. Campbell:** If they don't, they certainly have changed. I would be very surprised if they've gone back on their usual procedures.

**Mr. Williams:** I certainly know that some councils do not bother to have public hearings on planning matters.

**Mrs. Campbell:** I think that might be true in North York but I don't think it is true in Toronto.

**Mr. Williams:** No, not so. That's another problem, of course; some municipalities are accused of not having sufficient public hearings. I know from my experience our municipality was designated, I think, the leading



municipality in all Ontario for providing the grounds for public input into planning matters. As you say, perhaps it got to the point where delays were extending from three months into perhaps more than a year. I think it is interesting that North York was the first borough within the Metro area to develop official district plans and I think the city of Toronto is still floundering around badly in this regard. It keeps changing its proposals almost on a monthly basis.

**Mrs. Campbell:** You want to drive expressways right through the heart of it.

**Mr. Williams:** Of course, that is one of the problems with the city of Toronto. It doesn't have an appropriate roadway system to accommodate a large metropolitan area.

**Mrs. Campbell:** It's the people from North York who want to come to business downtown.

**Mr. Williams:** Some day the city of Toronto politicians will learn that people do own cars and need roads to drive them on.

In any event, there is a responsibility on municipalities to have a more appropriate compliance with a set of time parameters which will not detract from the public input procedure, which will allow public hearings to be held at all levels as has prevailed in the past but which will not unduly delay the process to the point where—again, one thing I'll agree with is Mrs. Campbell's comment that some of these applications are taking up to two years to process. It is inappropriate that that time lag should exist.

I would suggest that the time references, such as you referred to and which have now been applied at the provincial level, would be equally viable at the municipal level. It seems to me that if at the date of filing an application, the date was set for a hearing right there and then, this would go a long way to keeping local municipalities and the agencies responsible for processing plans—the planning boards and the councils—on time. If it turns out that any given application is a contentious one the 30-day extension period for additional hearings could be provided for. It seems to me, with the expertise we have in urban municipalities, with the planning officials and all the input which comes from the various departments within these municipalities, they are well educated in the process of putting together planning proposals. As such, a 60-day period would not seem to be inappropriate to apply at that level as well.

If people were advised at the outset when a proposal was coming on and a date had

been set, then people could not, as is quite often the case, be put in the position of saying they had no knowledge of when the application was coming on and if they had known in good time they would have made arrangements to come a little more informed on the matter.

[3:15]

**Mr. Makarchuk:** Is anybody listening?

**Mr. Williams:** This is a matter that surely, if the Planning Act review committee does not make some innovative recommendations with regard to that, is a matter in which I would hope this government, through your ministry, would pick up the slack and bring forward proposals somewhat along this type of principled guideline.

**Mr. O'Neil:** I can't quite hear, Mr. Minister, there are a couple of people talking over here.

**Mr. Williams:** The other aspect of the problem is again one of servicing costs and certainly your proposals, as outlined or suggested in your opening statement and now contained in your urban development standards study, give a clear direction, hopefully, for early implementation. I am not clear, however, as to what period of time you have allowed the local municipalities and other interested bodies in which to make a response to your, in effect green paper on the subject. It seems to me that too should be acted on, not next year but some time before this calendar year has expired. Has any time reference been suggested to the various interested agencies and local governments with regard to the—

**Hon. Mr. Rhodes:** The urban studies development?

**Mr. Williams:** Pardon?

**Hon. Mr. Rhodes:** The urban standards study?

**Mr. Williams:** Right.

**Hon. Mr. Rhodes:** No. We haven't given them any time limit. We are expecting they will take what time they feel they require within their own municipalities to consider the report. We are going to follow it up and attempt to get the information from them, but we haven't said to them you must respond within the next number of days or weeks or months.

**Mr. Williams:** Would it not be reasonable, Mr. Minister, if a response isn't coming as quickly as you had anticipated, to try to indi-



cate some time reference before the summer months come on? Otherwise, this is a matter that might not receive sufficient response by the late fall to assist in bringing out some remedial legislative action by the first of the year. We could again be into another building year next spring, and I suggest if there have not been some legislative changes made to meet these pitfalls that I have been outlining, another year will go by before they can be beneficially acted upon.

**Hon. Mr. Rhodes:** Well at this stage we are not contemplating the necessity of any provincial legislation to force this sort of implementation. We hope the necessary municipal bylaws would be passed to permit the implementation of some of the recommendations within the various municipalities, because I think it is going to vary some from one municipality to another. The matter is going to be discussed with the provincial-municipal liaison committee which has had a part to play in this whole thing, and which has a chance through its staff as well to consider the report and will be commenting to us on it on behalf of the municipalities in general.

**Mr. Williams:** An interesting concept that has developed over the past few years, and perhaps Mr. Wronski can comment on that, is the zero lot line concept which while a theory I think has evoked considerable interest and appeal in some areas. I would be interested in the extent to which it has actually been implemented in municipalities. Certainly, that again goes to the very heart of your point about smaller lot sizes to increase the number of single or semi-detached homes per acre along, with perhaps narrower streets and so forth. Mr. Wronski, could you comment on that?

**Mr. Wronski:** The concept has indeed developed in the past few years, as Mr. Williams has indicated. It is not very widely adopted because it depends very much on the desire of the developer to develop in this particular manner. Therefore, it has to have public acceptance. It has been used. In the Metropolitan area alone, you have municipalities such as Etobicoke and Brampton using it to a very large extent. There is a very large development in Brampton based on that basic principle. Actually, it was propagated by this ministry because the HOME lots that are involved are in it.

It has been done in Windsor and several other municipalities, but I wouldn't like to say it has complete and wide acceptance. It depends not only on municipal acceptance, which I think is quite easy to obtain, but

basically the purchaser's acceptance because it is not the traditional form of land ownership in that development.

**Mr. Williams:** Is the Mississauga project—do you consider that perhaps to have been the pilot project in this field of zero lot line development?

**Mr. Wronski:** The project I was referring to is in Brampton.

**Mr. Williams:** In Brampton? I see.

**Mr. Wronski:** That's a very large one. Mississauga has one being considered right now around Burnhamthorpe Rd., if I am not mistaken. It has been accepted by the municipality.

**Mr. Williams:** You say that part of the problem are the unique features of both ownership and, I suppose, physical presentation of the living accommodation in the limited lot size situation. Is that what you are referring to?

**Mr. Wronski:** It is not necessarily the question of the legal ownership because obviously the land is defined as the parcel of land on which the house is standing.

I think it is a question of acceptance by the purchaser who is used to a standard lot of 50 ft x 120 ft. In some instances, they are irregular and we find that after the house is built it is still foreign to his mind.

**Mr. Williams:** I am sorry? Is what?

**Mr. Wronski:** It is still foreign to his mind and it will take time before it will be widely accepted. Admittedly, it is one of the best forms of introducing variety to the normal standard subdivision designs.

**Mr. Williams:** Has the Brampton project been in place long enough for you to have any clear-cut public attitudes toward that project?

**Mr. Wronski:** Yes, about three years.

**Mr. Williams:** What has been the experience there? I presume your department has been monitoring it fairly carefully?

**Mr. Wronski:** Yes, indeed. It has been sold out quite readily and accepted as a good way of living and a good place to live.

**Mr. Williams:** So your concerns about slow public acceptance aren't necessarily borne out? Are you saying there has been good public response to this or is it because there is nothing else available in the area? Is it through lack of supply or that with adequate



variety in the area people were still responding to this new type of housing?

**Mr. Wronski:** I think it requires both the willingness of a developer to use that concept in land development and the willingness of the—well really his appreciation of the market and whether the purchaser will accept it readily. The examples show wherever it has been used, it has been acceptable. I hope it will be accepted in many more municipalities.

**Mr. Williams:** Of course it depends very much on the attitude of the local municipality in the revision of its local zoning by-laws to permit more intensive land use.

**Mr. Wronski:** Yes. Of course, the existing bylaws of practically every municipality will have to be redesigned in order to accommodate this kind of programme.

**Mr. Williams:** I am sorry; every which will have to be redesigned?

**Mr. Wronski:** In practically every municipality a bylaw will have to be amended to permit this kind of project, because the by-laws are very stereotyped and based on the standard lot size.

**Mr. Williams:** Right. In the municipal liaison committees you would be involved in, what has been the response from the administrative level of local municipalities? Do the local planners, from a professional point of view, consider this to be a responsible approach to the problem?

**Mr. Wronski:** Yes, I think generally speaking it's very favourably received when it's submitted to them.

**Mr. Williams:** And have they in turn conveyed to you any attitudes from the political side of the municipal spectrum? What has been the attitude experienced to date in their initial response?

**Mr. Wronski:** I can quote one experience: In Etobicoke, where Ontario Housing Corp. was trying to introduce that particular concept in one of the parcels of land owned by Ontario Housing Corp., there has actually been neighbourhood resistance. But I think that was basically caused by lack of knowledge of what the project would look like after it was finished. I think I may say now that once it's finished, it's quite readily accepted. Like any innovation, obviously it is suspect.

**Mr. Williams:** Thank you, Mr. Wronski.

**Mr. Minister,** in your urban development standards report, you point out that about 75 per cent of the cost saving would be attributable to the smaller lot sizes and about 25 per cent to the servicing aspects of the proposals, if implemented. There's one concern I have, and that was a reference in your study to the dualing of water and sanitary connections. I believe my interpretation is correct, that it would simply mean dualing in the sense of separate piping but within the same trench, and then perhaps lying out to serve two units instead of one; but in fact it wouldn't be total combining of the two facilities as has existed in the old service connections in the older sections of Toronto, or other cities throughout the province.

**Hon. Mr. Rhodes:** I don't think anyone has ever combined the sewer with the water line.

**Mr. Williams:** No, I disagree.

**Hon. Mr. Rhodes:** The sewer and the water line in the same pipe?

**Mr. Williams:** Storm drainage.

**Hon. Mr. Rhodes:** Oh, storm drainage, yes.

**Mr. Williams:** And—

**Hon. Mr. Rhodes:** Yes, that's what we are talking about.

**Mr. Makarchuk:** It's a two-way system.

**Hon. Mr. Rhodes:** When we're talking about the combining of the services, the services are in the same pipe—the same trench, rather. We're talking about the water and sewer to the residential areas, as opposed to the mains out on the street, which of course can again go in the same trench; but your storm lines would certainly be separate.

**Mr. Williams:** Of course when the standards were somewhat less than they are today, there used to be that combined facility of the storm and sanitary connection.

**Hon. Mr. Rhodes:** We are not at all recommending the storm and sanitary sewers go in the same pipe.

**Mr. Williams:** That's what I wanted to be clear on then.

**Hon. Mr. Rhodes:** Many millions of dollars are spent to separate the two in order that you can treat the sewer effluent in treatment plants; to separate the two is important. Because of the volume that was being carried into the plants they were treating storm water as opposed to sewage. It's not intended



to go back to that at all. I don't think the report indicates that.

**Mr. Williams:** No, I just wanted to be entirely clear on that point. That leaves me with the two concerns as to the fact that I think, with the report being circulated for comment, some steps should be taken to try to accelerate the response on it, rather than leave it open-ended. Otherwise, as I say again, time is a critical factor and if municipalities are asked to deal with them in their own good time, bearing in mind it's a provincially-circulated document, it could be a year or two years from now before we really get final input into it.

[3:30]

The other is that I feel strongly that realistic time parameters, as they would apply at the local level, should be reintroduced or introduced into the revised Planning Act to give municipalities an opportunity to process plans, to hold public hearings that are necessary, and get on with the job. If there's procrastination at that level then there should be a clear-cut provision that it will be moved on to the provincial level without fear of kicking it back and forth to bring about further delay.

In other words, clear-cut responsibility has to be brought to bear on both levels, the provincial and the municipal, because while we have the 60/30-day factor applying in your ministry, that's at the other end of the route. If it is held up at the front end we are not breaking the logjam, we are just dealing with them after the long delay period which was initiated at the municipal level.

So it is going to take a joint effort at the municipal and provincial levels. I think anything that can be done to accentuate this should be done. This is probably one of the major contributing factors to the cost of housing. It should be re-emphasized again. Without, as I say, suggesting that the province has been blameless in the matter as far as administration is concerned, I am pleased your ministry has taken the initiative in laying down these realistic time parameters. From that, I am sure that with the support and co-operation of the municipalities we can have an improvement to this particularly severe problem that affects housing in Ontario. Thank you, Mr. Chairman.

**Hon. Mr. Rhodes:** Mr. Chairman, I want to make some brief comments on this. First of all, as far as delays are concerned, using the 60/30 limitations with the various agencies and other ministries of government has perhaps some practical application be-

cause of the fact that we are dealing with the Ministry of the Environment, the Ministry of Natural Resources and others who comment on it—they are dealing with these matters as a ministry within whatever their area of responsibility and expertise is—and commenting back to us. We are primarily looking for them to identify where they may see some problem that would be created for them in their ministry.

In the municipalities, I am sure we all appreciate it is a different factor here, in that it is at this level where they do carry out the public hearings, the public participation and the notification to the various people whose lands will be or could be affected. When you have a change, an amendment to an official plan or an amendment to a zoning bylaw where a change of use is going to take place, I have always felt personally that the people who are most intimately involved are entitled to have, first of all, the protection that was there at the time their official plan and their zoning bylaw was implemented. They knew what was going to develop in their particular area, and if any change to that is contemplated you have to give the people an opportunity to at least let their feelings be known. If they do, in fact, object or find what is going to happen objectionable, that is obviously going to lead to discussions at the planning board and at the council level. The time frames there are—

**Mr. Williams:** Mr. Minister, I haven't said otherwise. Let's be clear on that point, I haven't said otherwise. I agree 100 per cent. I am just suggesting that it can still be accelerated.

**Hon. Mr. Rhodes:** I don't know how you can compact that because you are dealing with people who are operating within the terms of the Planning Act, and in the case of the council within the terms of the Municipal Act. There are the avenues of appeal that you are well familiar with. I don't know how you can say to a municipality, "You must have your answer back within X number of days," such as you can to a ministry, because they do have these other commitments within their own community. I don't have to expound on what they are here. On the reference that you made very early in your remarks to the bureaucracy, and I know you are saying at both the municipal and the provincial level, sure I suppose there are areas where bureaucracy does create some problems and adds to the delay. Far be it from me to be accused of continually defending bureaucracy, but for the most part most of the people who are working in these areas



work within the framework of whatever policy the politicians have developed.

As a civil servant said to me not so long ago, "If the policies didn't change so fast, maybe we'd be able to keep up to you." Some of those delays we have to assume ourselves. The province, as you have indicated, cannot just simply wave its hand and say the municipalities are to blame. I think we share some of the responsibility.

One of the other delays—and many municipalities do this and I'm sure you're aware of it—they use the OMB as the arbitrator for a decision that's a little difficult to make; allow that to go off to the OMB for their decision.

I firmly believe in the municipalities having that autonomy to deal within the framework of their own planning processes, their official plans and their zoning bylaws—although I know it does lead to some prolonged delays.

The only other way out of it, I suppose, would be to have planning boards that were sitting every day of the week; and increasing the size of the staff that the planning boards in various municipalities have so that they can prepare the necessary documentation and reports for the people they are reporting to. Having had some experience on a planning board and a municipal council, I recognize what some of these delays are—and some of them are very real, some of them just cannot be avoided.

There is the very simple thing, but a necessity, of doing a soil test before you get a comment from the health unit. But they can't go out in 14 ft of snow and do a test in the ground; they've got to wait until the following spring; and you wait two or three months on that score.

**Mr. Williams:** Let me give you a prime example. A group of people may have come in and objected to, perhaps a subdivision that involves a rezoning aspect to it. They make their point and make it well, and the local planning board, quite rightly, says: "All right, we'll defer the matter. If you want to have further public hearings on the matter or want to have the staff meet with you to discuss the matter further, we'll do that." But in saying this they also give direction to the staff that nothing further is to be done on the project until the further hearings. This may be in June, and they say: "Well, we'll hear you out again in September. And it is the recommendation of the board that nothing further be done on this application until that time."

I've seen situations where the staff has done just that; nothing, for three months. They

will sit on an application because somebody might say they're not being objective and they're showing some sympathy to the application if it continues to be processed at the administrative level. As a consequence, perhaps nothing is done by the staff on an applications for three months while they're waiting for a further hearing to be held.

Now in that type of situation it is an unconscionable type of wasted time in trying to deal with the problems, and yet deal fairly with the people who are legitimately concerned. I've seen this, and I think other people in municipal government have seen this situation in the past.

As another example, perhaps one person comes in, who hadn't taken the time to acquaint themselves with a fairly straightforward application, that has not even involved a rezoning application or a subdivision, and asks that it be deferred because they never in the past had to acquaint themselves with the process or how it works. They're going away for two months' holidays and they'd like it deferred until they come back in September. They come back and say, "I looked at it when I got back from my holidays; it's fine." So it goes ahead. But perhaps two months have been lost and nothing is being done.

This is the type of effort where I think legitimate criticism can be levelled. I'm not suggesting the contentious matters aren't heard out.

**Hon. Mr. Rhodes:** I'm going to interrupt you as you did me. Who do I put the big hand on? Who do I put the crunch on? Who do I grab and squeeze? Somebody has got to get squeezed. If you're going to interfere with whatever the process is, you've got to grab and squeeze somebody. Is it the council? Is it the planning board? Is it the planning board staff? Who will I put the squeeze on? I don't know. Who do you suggest I thump with that big stick you feel I should carry?

**Mr. Williams:** I think I should come back to making the point I made in the first instance, that reasonable time parameters be described in the Act with an extension period—

**Mr. Makarchuk:** You wonder what the council and aldermen members were doing all this time.

**Mr. Williams:** —such as you have with your own staff, Mr. Minister, 60 plus 30 where there is a particular problem. I might say maybe it's—



**Hon. Mr. Rhodes:** Mr. Williams, will you allow me to respond please? We've listened patiently. Allow me to respond to some of these things.

**Mr. Williams:** Yes.

**Hon. Mr. Rhodes:** If you relate this strictly to a very sophisticated municipality, such as Toronto or any of the boroughs here, which have sophisticated staffs and a lot of material and the ability to do the job, as opposed to some of the smaller municipalities which would have to rely strictly upon, in some cases consultants rather than hired planners, they are relying upon their own natural intelligence in their own community and the knowledge of their own community.

I don't know how you could set a time limit on some of these people, and frankly I am not about to try and do that with municipalities. I think they have to go ahead with their processing and do it as quickly as possible. I've seen it happen many times, and so have you, where the matter goes to the planning board, the planning board makes a thorough study of the thing, has an open discussion, has a public meeting, has the thing referred, makes the recommendation, sends it to the council, the council looks at it in their agenda and says, "Refer it back to the planning board for further study." That's the way it goes. It is gone for another month and, rest assured at least a month. There may not be another bit of input that will develop but the council has seen fit to refer it back to the planning board. Why? Because it got a little hot.

I agree with you. Somewhere the decision has got to be made, but I really don't think I can say at this stage to a municipality, "You must make your decision within the next number of days"; because I know what they will tell me. In fact, I can tell you that we made the error of sending one of the letters that we send to one of our agencies within the government, to a certain municipality saying, "You've got 60 days to reply." We got a reply in 60 days all right. I was glad the paper was soft.

**Mr. Williams:** Mr. Minister, I'm fully aware of all the points you make and I understand them, but I still think that does not give reason for not endeavouring to lay down some reasonable time parameters. I keep stressing the term reasonable. As I say, the 30-day clause in the Planning Act today is meaningless; let's face it, it is meaningless. When it has been put to use, it's been abused.

If you're going to have a time parameter, either take the section out or come back

with something that provides either a 60-day or 90-day period plus, where there is an objection, a further 60 days. I don't care what it is, but if you're going to use time parameters, use reasonable ones and take out that section, because it is just a misnomer really and of no value whatsoever in my opinion.

**Hon. Mr. Rhodes:** I would hope that Mr. Comay, in his review of the Planning Act, will certainly identify these particular areas where we may have sections that are redundant or antiquated, and he will make the necessary recommendations to change them.

**Mrs. Campbell:** If he doesn't know, nobody does.

**Hon. Mr. Rhodes:** I don't want to try and second-guess Mr. Comay either, I'd like to leave that to him. I would like to see the whole thing speeded up but not at the expense of appearing to want to infringe or take away the rights of the individual property owners in the various communities to make their feelings known individually or collectively as to what is going to happen in their community. I have been critical of some municipal councils and probably will be in the future—some that I have served on—but I do think that members of those councils are as politically sensitive as we are and they are guided by what their good constituents say.

**Mr. Williams:** Mr. Minister, I would make it absolutely clear that I've said nothing different. I've been sensitive to that situation from having been involved in it. As any other politician, I am aware of that, and I haven't suggested anything today that would imply detracting from that right of public participation. I'm just saying that some municipalities perhaps let that privilege be abused to the detriment, in the long run, of the very people in the community.

[3:45]

**Hon. Mr. Rhodes:** I suppose that is one of the bills you pick up for the system we have which, if we didn't have to have that—

**Mr. Williams:** I feel we should be trying to find some reasonable guidelines to assist the municipalities in speeding up the process.

**Ms. Gigantes:** I would like to ask some specific questions about a project in my area, that is the South Rideau project. I wonder if first the minister or the members of the ministry could tell us what is the exact status of the OHAP agreements in the South Rideau



area and what the plans are for developing those contracts?

**Hon. Mr. Rhodes:** I can't respond to you on the exact status of that, and the reason I can't is because the gentleman who is in charge of OHAP is not here because he will be coming when the OHAP vote is dealt with.

**Ms. Gigantes:** Okay; perhaps I should raise that particular part under the OHAP vote. I will leave it behind.

**Hon. Mr. Rhodes:** If I had it here I would certainly pass it along to you.

**Ms. Gigantes:** I would like to know also what your plans are for trying to incorporate the kinds of recommendations and cautions which have been coming from the Ministry of the Environment into the South Rideau development. As you are aware, I brought to your attention the letter from Larry South of the Ministry of the Environment.

**Hon. Mr. Rhodes:** As I said—I guess it was the last time we met when we discussed this in some detail with Mr. Cassidy—certainly the cautions and the concerns that have been expressed by the Ministry of the Environment have to be considered in any effort made in that particular area, whether it applies to the South Rideau development or to any other development.

I am aware of these cautions. I am aware of another caution which has come since the letter you referred to. Another letter has followed with some other comments and details and has gone to the Minister of the Environment (Mr. Kerr). I am cognizant of it and we have to consider them, no question.

**Ms. Gigantes:** Whose responsibility is it for making sure that proper costing is done beforehand of whatever environmental controls will have to be built in? Is it the Ministry of the Environment or the Ministry of Housing when you are into an OHAP arrangement?

**Hon. Mr. Rhodes:** I guess we probably both determine what the costs are going to be. In the case of OHAP the costs, of course, would be involved with the developer. He would face the cost of whatever servicing would be required.

**Ms. Gigantes:** There are already outstanding arrangements with developers now for a limited part of that larger scheme. Has there been some arrangement made with those developers? Have they been included—

**Hon. Mr. Rhodes:** To the best of my knowledge, no. Again I would have to refer to the gentleman who has been operating OHAP on that specific project. To the best of my knowledge, no.

**Ms. Gigantes:** What is the procedure by which the Ministry of Housing would make the developers aware? How would the costs be assessed in terms of planning what kinds of facilities you are going to be putting in? Who pays for the planning of what you are going to tell the developers they may have to put in?

**Mr. Crosbie:** Mr. Chairman, I think there are a number of issues raised by this question. One is the costing of the MOE recommendations. As we discussed at the last meeting, the standards the MOE is proposing have not yet been identified. The methodology has not been identified and at this stage I don't think it is possible to cost the controls MOE may wish to have imposed on the development of the land.

**Ms. Gigantes:** Who will have to cost them? That is going to be a fairly big job, isn't it?

**Mr. Crosbie:** What would probably happen in a case like this is that subdivision approvals come along at the municipal level. Following the processing of the official plan, assuming the official plan permits development of any of these areas, the municipality, working out its agreements with the subdividers or developers, would have to make arrangements to ensure that whatever controls of this nature are necessary are included in the agreement. The cost would be taken care of at that time.

**Ms. Gigantes:** Who pays the cost of deciding what the controls are? Does the Ministry of the Environment do that? It is going to require some studies; it is going to require some tests; it is going to require looking at the geography there in a very fine way.

**Mr. Crosbie:** I think you have to make a distinction between the cost of developing the policy that relates to the controls and the cost of implementing it. Obviously, if a standard can be developed concerning storm water, then the cost of implementing that on any particular site presumably would be the responsibility of the developer. As I said earlier, the Ministry of the Environment has not yet set those standards, but is working on that problem and is carrying certain expenses right now in the process of developing its own policy.

**Ms. Gigantes:** I understand that the art is still in a very primitive stage in terms of



trying to deal with a terrain like this, adjacent to a river like the Rideau, which is a very vulnerable river. But I'm also of the opinion, having talked to people who know something about this business, that every time you get into a project where you are going to have to include these kinds of concerns in your whole planning review beforehand, and to try to judge what the costs will be, you have to make a specific plan for environmental controls for a specific project. Now, how does that happen for the South Rideau? Who does it?

**Hon. Mr. Rhodes:** If you use the South Rideau as an example, you've got several conditions, as I understand it. No. 1 is the water course itself; it has been indicated that the storm water should not be allowed to run into that without having been treated in some way.

**Ms. Gigantes:** That was known long ago.

**Hon. Mr. Rhodes:** Right. That's problem Number 1.

No. 2, of course, is the soil itself, and particularly the clay situation, which you well know is pretty predominant through the whole area. In that particular case, the Ministry of the Environment, which is concerned about what is going to happen in that particular area, would be developing a standard that would be acceptable to the ministry under those conditions. Therefore, they would be developing some sort of standard so they can say to the developer, "This is what you must do in that particular area before you would be allowed to develop it." That aspect would be handled by the Ministry of the Environment. But the implementation, as Mr. Crosbie said, would be the responsibility of the developer.

**Ms. Gigantes:** How can the ministry announce a major development in an area like South Rideau before the Ministry of the Environment has made a study which can indicate exactly what kind of controls are going to have to go in?

**Hon. Mr. Rhodes:** I don't think there is anything wrong with us announcing that this is an area that can be developed. It could be any one of the areas; it is an area for potential development. The conditions that may be attached to permitting that development to take place then will determine whether or not it's a viable proposal to go ahead and do it. If it can't meet the environmental standards, then of course it can't be done. But there is nothing wrong with saying, there's a vacant

area that can be developed when the standards are developed.

**Ms. Gigantes:** Yes, but you understand what I am getting at. The ministry announced in 1973 that it was going to go ahead with OHAP agreements in the South Rideau area. It is now 1976, and the ministry has not incorporated into its planning for development in that area any real knowledge about the costs or the effects of the environmental controls that will be necessary—and the warnings have been there from 1972 from the Ministry of the Environment.

Why has it taken three years? And why, three years after the first announcement from the Ministry of Housing about development in the South Rideau area, do we still not know anything about the cost or the real effects?

**Hon. Mr. Rhodes:** You have to appreciate that anything that's going to happen in the area is contingent upon the official plan of the Ottawa-Carleton area. We can talk about the potential maybe, but the official plan is eventually going to determine what will or will not happen.

**Ms. Gigantes:** You didn't put out a press announcement saying that. You put out a press announcement saying that 3,000 acres were going to be developed under OHAP arrangements. Isn't that misleading when, in fact, you may have to reassess the development priorities under the plan?

**Hon. Mr. Rhodes:** I don't think it is misleading to say that there is an area that can be developed under OHAP. There are a number of areas in the province today where we have agreements under OHAP; of course, these agreements may be between the ministry and the developer but there still has to be an agreement between the developer and the particular municipality that is going to be absorbing the development. If there is no agreement between the developer and the municipality, then there is no agreement. We simply move on and see if we can find somewhere else.

**Ms. Gigantes:** That development will still go ahead despite all the interest the ministry has shown through its planning processes in having the public participate in choosing priorities for development within a regional municipality—such as Ottawa-Carleton—and despite the fact that people in Ottawa-Carleton have been expressing a lot of concern. A lot of concerned citizens groups have expressed objection to the South Rideau development. Municipal politicians and muni-



cial citizens groups can lose heart and stop fighting after a time, with the kind of stance taken by the ministry year after year after year in defiance of Ministry of Energy warnings.

There was a very recent example at the local level in Ottawa, where regional council was considering the returned objections from the ministry on the official regional plan. One of the local aldermen, who lives in the west end of Ottawa, is very concerned about what the transportation corridors associated with South Rideau development will do to his area and other areas that are already developed in the city core area of the west end.

They find that on the one hand they are trying to fight about transportation corridors, and on the other hand the ministry is pretending that there are no real problems associated in terms of pollution in the Rideau with development in this area.

**Hon. Mr. Rhodes:** That is totally unfair—I will use that word—for you to say that, because it's not accurate. You say that the ministry is pretending there are no concerns. That is just not so.

**Ms. Gigantes:** It has for three years.

**Hon. Mr. Rhodes:** That is not so.

**Ms. Gigantes:** Why does the Ministry of the Environment now have to inform you again?

**Hon. Mr. Rhodes:** Ms. Gigantes, I have sat in on a number of meetings in Ottawa involving the region, involving the National Capital Commission, involving the Ministry of Housing, the Ministry of the Environment, and the Ministry of Transportation and Communications. I have sat in on these meetings. These concerns are there and they are aware of them, and no one was trying to pretend these things didn't exist.

We are fully aware of some of the transportation problems, and these things are being looked at very seriously. I think you are probably aware of the fact that when the matter was raised, or was attempted to be raised, as I understand it, at the regional council not too long ago, it was voted down 14 to 2 that there be any discussion of that particular problem by the regional council.

Now do you suggest I should call the regional council and say, "You can't do that"?

**Ms. Gigantes:** What I am suggesting is that the Ministry of Housing has interfered in the draft plan process. This is what has happened as far as I am concerned; that is my judgement on what has happened in the South

Rideau area. In 1972, we had a draft official plan which said, "South Rideau is last priority and it has a lot of problems." In 1973, we got OHAP agreements through your Ministry of Housing and the announcement of an OHAP agreement. In 1974, South Rideau becomes No. 2 priority.

Now, you tell me how that happened? In my kind of political addition, that means the Ministry of Housing has had an incredible influence on the priorities that the regional council has assigned in terms of development within the Ottawa-Carleton region. It has come in and said, "We can make you an offer." Now, how can they refuse it? South Rideau became No. 2 priority. Of course they are going to stick to it now.

**Hon. Mr. Rhodes:** You made a judgement. I don't agree with the judgement, but you made it.

**Ms. Gigantes:** Can I ask you about the transportation corridors? In my mind, this is linked also—

**Hon. Mr. Rhodes:** No, I don't intend to discuss the transportation corridors; you can discuss that with Mr. Snow.

**Ms. Gigantes:** You must have some idea when you are going ahead with an area for development of 3,000 acres and a potential population of anywhere between 75,000 and 100,000 people. You must in your planning process surely be concerned about how those people are going to get to their employment and what kind of roads are going to have to be built through the regional municipality to get them to their employment?

**Hon. Mr. Rhodes:** I think that will be part of the official plan; consideration of the official plan as to what transportation corridors are needed.

**Ms. Gigantes:** I would like to ask you about those transportation corridors.

**Hon. Mr. Rhodes:** You can ask me, but I am not in a position to respond. That would be handled between the region and the Ministry of Transportation and Communications and the National Capital Commission.

[4:00]

**Ms. Gigantes:** Can you give me a technical piece of information? My understanding is that for the transportation corridors, which would have to pass through a large area of NCC-controlled greenbelt land from the west end core to the South Rideau development on the west side of the Rideau River, there is not enough—what's the word?—



**Hon. Mr. Rhodes:** Right of way.

**Ms. Gigantes:** —right of way available for the development of very large arterial corridors which would be necessary aside from getting land from the NCC. Is that correct?

**Hon. Mr. Rhodes:** I believe that is correct. That's part of the discussion that has been going on that I mentioned, some of the meetings. That was part of the meetings that were just being discussed with the National Capital Commission at that time. Mr. Gallant and Mr. Danson were at that meeting, along with the chairman of the region and the regional planners and the regional transportation people. It was quite a large meeting and these were some of the topics that were discussed. I am aware of discussions that have been going on on a continuing basis between the region and the NCC.

**Ms. Gigantes:** And you are aware of the NCC objection to South Rideau development?

**Hon. Mr. Rhodes:** Yes.

**Ms. Gigantes:** Have you had any kind of indication from the NCC that they are going to give you the right of way, or that the NCC would make available right of way for the arterial corridors that would have to be built?

**Hon. Mr. Rhodes:** I certainly can't say that they have given me any indication that they would be prepared to allow the corridor. They haven't given me any indication they are prepared to allow them.

**Ms. Gigantes:** Okay, thank you.

**Mr. Chairman:** Is that all?

**Mr. Cassidy:** Just to follow on one question, Mr. Chairman. If you haven't got that indication, then what is going to happen? Do you anticipate the people will be moving in under your OHAP agreements and not be able to get to entertainment and jobs and so on in the city?

**Hon. Mr. Rhodes:** You know and I know that if you can't get to the place, you don't put anything there and if the environmental considerations are such that you can't put it in there, then you won't go there. If it means no agreement can be reached between the municipality and the developers and that part of the OHAP, I guess there will be no agreement. It is as simple as that.

I recognize this has become a very popular cause for the hon. members from the Ottawa area who live there and who are concerned

about what is going on; I recognize that, but I don't think, in all sincerity, you should attempt to make it appear that somebody is trying to unduly influence what has been done as far as the region is concerned. We are following—that's what I have been doing since I have been involved—following along with what the regions suggested to municipal government. I am not attempting to force anybody to put transportation corridors over, under, or through National Capital Commission land—I can't do that. Nor am I attempting in any way to say it doesn't matter what Environment says, we will go ahead and dump that into the river anyway. Not at all. I think in all fairness that you know that.

**Ms. Gigantes:** You weren't the minister in 1973 and we have had four ministers in four years.

**Hon. Mr. Rhodes:** But, as Mr. Cassidy reminds me, I am now.

**Ms. Gigantes:** Well, if you will gracefully back out of the South Rideau arrangement I am sure we would all applaud.

**Hon. Mr. Rhodes:** Whatever I do, I do gracefully, and with good humour.

**Mr. Chairman:** I would like to mention to the committee that there are four members slated to speak: Mr. Makarchuk, Mrs. Campbell, Mr. Lane, Mr. Cassidy. I know it is an impossibility but there is a little less than an hour to go. If we could confine our remarks to the point that we could possibly vote on this item it would be greatly appreciated.

**Mr. Cassidy:** You mean the specific vote on plans administration?

**Hon. Mr. Rhodes:** Yes.

**Mr. Cassidy:** Or, do you mean all six or seven votes?

**Mr. Chairman:** Just item 2.

**Mr. Cassidy:** Item 2, okay, we could try for that.

**Hon. Mr. Rhodes:** You don't need to interrupt if you want to do all of them.

**Mr. Makarchuk:** I would prefer if we could just float right through that vote perhaps, because I have noticed we have drifted away from plans administration all along, and perhaps it might be just to our advantage to deal with it on those bases.

On the plans administration, one of the things I feel that perhaps can help to expedite some of the problems of getting plans through—it is not really that much of a problem



getting them through—is that the people who are out there, and I said this in the previous estimates, want to know just exactly what happens to the plans when they get here. They get here and of course they are lost someplace and they come calling on you and they say, “What is happening to them?”

Is there any reason why you can't send out sort of regular reports to the people who have submitted plans of subdivision, bi-weekly or tri-weekly or whatever, stating that the plans have gone out, the following agencies have replied, the following agencies are objecting for such reasons, and so on?

People will then know at the local level what's holding them up. They're also in a position then, if it's the local council which is permitting this thing to be held up, to appear at local council or committee meetings and try to say, “Look, you are the so-and-sos that are holding this thing up. Let's get this thing straightened out.”

I question this idea where Mr. Williams alluded to the fact that the staff would sit for three months. I just wonder what was his responsibility as alderman on that council that he would permit that. I'm sure if that happened in my case they'd be doing double time around city hall in no time at all, if they were sitting on something of that nature. I think local councillors should certainly ensure that if you're paying the staff and they're there to deal with projects, then they should be dealing with projects, and we don't just keep putting them off.

I agree with you that it's not really your fault and there's very little you can do about it if the local people do not carry out their responsibilities.

**Hon. Mr. Rhodes:** Could I just respond to that quickly? That's what we're doing now. In 90 days—and perhaps Diane Santo can respond to it even further later—we do notify the applicant at the end of 90 days, “This is what has happened and this is where the delays are.” If it's the municipality, they will know that it's the municipality. We have approval, say, from all agencies.

**Mr. Makarchuk:** I wonder if that 90 days isn't too long. I think there's no reason why the Ministry of the Environment can't respond within a month's time, or any of the agencies of government. They should be able to respond to most cases, unless you're in a special flood plain situation and so on, where you have to consult with local authorities. It seems to me there's no reason why they can't respond sooner. I can understand the problems out in the boondocks where you've got

a regional planning board or a county planning board which possibly meets once a month, and it meets and it doesn't have a quorum and it just can't come to a decision. Okay, the local developer can get after them to make a decision, but where they have the problems over here, it seems to me again the 90-day period is kind of long.

The other thing is, I'm not sure exactly what information he gets after 90 days, but if there is an objection, if he receives it after 30 days or five or six weeks and he sees there's an objection with this particular agency of government, he can start working to try to resolve that difficulty in that period of time, instead of waiting until the 90 days is over and then to start working on it.

**Hon. Mr. Rhodes:** What we do, though, as soon as the plan is assigned a number the applicant is advised as to the number that has now been assigned to him, who the planner is who is dealing with it, the planner's phone number, and he could be in contact with that planner directly to see what's going on.

The other part of it is that there's an average of about 1,200 of these documents processed every year, so if you get an average of 100 a month coming through, the time element there and the staff constraints and what have you handling these things and getting out 100 each month to Environment, to Natural Resources, to all the agencies, we really don't think 60 days is too much to allow them. In fact, I think if you talk to Environment they'll tell you that it's not enough. In many cases they complain like mad that they don't have sufficient time. When we put that policy into being—and I won't necessarily point the finger at any particular area—some of the documents had been out in these ministries for over 200 days with no response. That's changed now.

**Mr. Makarchuk:** I don't consider that a major problem incidentally, as opposed to your own member, who says the whole problem in the high cost of housing is this planning process and that's really what's doing it. The Urban Development Institute is peddling that crap and I'm surprised, as I said earlier, that you don't refute it. When you're putting through 1,200 applications of subdivision in a year you probably have some good idea of the number of available building sites that have had subdivision approval in the province, and I would like to see that figure. Perhaps you have some idea right now of just exactly how many units have approval this time.



**Hon. Mr. Rhodes:** We'll try to dig it up for you.

**Mr. Makarchuk:** Okay. I think you'll find, as my own experience, limited as it was, on city council and planning boards would indicate, there is in most cases quite a few units on approval sitting, and the reason they're not being developed is, of course, it's to the developer's advantage to put these on the market at a very limited pace because that way you control the prices. Again we get back to the idea that you should be involved in this thing.

This is all I have on plans administration. Mr. Chairman, put me on the list—I assume all the other members are prepared to speak to that item—I do have a considerable amount of other items that I wish to raise under the succeeding votes.

**Mr. Chairman:** Mr. Cassidy, Mr. Hall, would you be prepared to accept 2, 3 and 4? They are all basically related.

**Mr. Cassidy:** Yes, I would be prepared to.

**Mr. Hall:** That's 2, 3 and 4?

**Mr. Makarchuk:** Yes, I would like to continue on that but my next ones would be on community and the other—

**Hon. Mr. Rhodes:** Mr. Chairman, if I could respond with those figures you were asking for. For 1975, 95,829 draft-approved units; and 85,229 final approved units.

**Mr. Makarchuk:** That's 1975?

**Hon. Mr. Rhodes:** Yes.

**Mr. Makarchuk:** And your housing starts?

**Hon. Mr. Rhodes:** At the end of March there was a total of 130,455 draft-approved units in the province on which the applicants had not yet requested final approval.

**Mr. Makarchuk:** Your housing starts for 1975 were what?

**Hon. Mr. Rhodes:** In round figures 85,000; about 80,000. If you go back to 1974 there is a dramatic increase between 1974 and 1975. In 1974 we had 61,956 units, final approval. Then it jumped up to 85,000 in 1975, final approval.

**Mr. Makarchuk:** As I was saying earlier, the Brantford example is, I think, fairly pertinent to most communities, possibly with the exception of Metro. The developers will sit on many lots and will not release them, but in the meantime they will squawk and

they will complain and initially their demands are very unreasonable. As they keep running out of land you notice their demands are modified and the plans of subdivision start meeting all sorts of local approvals and your approvals as well; but, again, that's the nature of the beast.

I would like to go on to the next one in a sense. This is the urban development standards which I think is a reasonable book. It's got some excellent suggestions. The only thing about it, of course, is that you really haven't dealt with the land costs the way you should. You assume you are going to continue paying the price of the land and consequently the price reduction isn't as great as it could be.

What I would like to see done by the ministry is another study of this nature, and to go and look at the various types of housing, from the economic point of view in terms of trying to produce affordable housing. Some of the things that perhaps can be arranged are either various types of condominiums or various types of housing where the owner of the home would be able to rent one or two apartments. This is not new or unusual and it would help him to carry the whole unit. To produce a report of that nature, I think, would be useful as a provincial project. This is the second time we have touched on this.

**Hon. Mr. Rhodes:** They won't do it now because they will get rent review on those two units.

**Mr. Makarchuk:** I'm not too sure about that; if that is the case at all. There are all sorts of people right now who are buying duplexes or would like to own duplexes. They live in one and they collect rent from the other and they are paying for it.

I think there could be some new designs and some new investigation done into developing these types of projects. They may even have their grandparents or their parents or people like that living there. I think this could lead to or produce or be a start for some better communities—better mix of housing—instead of getting, sort of, a newly married group in one area of the city and another type of group in another area of the city and they keep arguing about each other. I would like your comments. Are you interested? Would you be considering something of this nature in the future?

**Hon. Mr. Rhodes:** I think at the present time, of course, that is permitted for the most part where there is a mix. I think more and more municipalities have got off this kick



that everything had to be single-family. They are going to duplexes and semi-detached where one person will own both units and rent. There is also the new programme we brought in this year—I don't expect it to have a great impact but I think it will have some—which is the availability of home renewal money to develop rental accommodation with some control—and conversions, too.

[4:15]

**Mr. Makarchuk:** Right. But I think where you could make a good move yourself is in your Ontario Housing projects. Why don't you try to initiate a project of this nature so that a person taking on a HOME unit could buy it with a rental unit attached, or pick up both units, and would be in a position to rent this thing? You'd be breaking some new ground. You never know; it might work.

On the OHRP situation, again we're finding—

**Hon. Mr. Rhodes:** You got your money too, you know.

**Mr. Makarchuk:** No, I didn't realize it. Thank you very much. I appreciate it. That's the 1977 allotment.

**Mr. Cassidy:** What kind of a deal do you fellows have?

**Hon. Mr. Rhodes:** Don't fool around with Makarchuk and me. We get things moving.

**Mr. Makarchuk:** I congratulate you on the basis that that is one project the city is finding very useful; there may have been some criticism of it and so on, but it is helping quite a few people who are taking advantage of it, including my parents, I gather.

**Hon. Mr. Rhodes:** Now I know why you were quitting.

**Mr. Makarchuk:** However, that isn't the reason. I say it is a good project; the reason is that I was involved in organizing it and getting it under way in Brantford and, as a result, I think we're going ahead.

The other item is the railway relocation situation. What is the current state of the relationship between your branch, the federal government and the four or five communities that were involved. I understand, looking at the Provincial-Municipal Liaison Committee minutes, that approval has been received for Niagara Falls. Can you tell me the status—

**Mr. Haggerty:** It has a good mayor.

**Mr. Makarchuk:** That's possible.

**Hon. Mr. Rhodes:** Yes, he is a good fellow.

As you know, we recommend the cities where the railway relocation studies should be carried out, and Brantford was one of them. We made these recommendations and we agreed that we would join with the municipalities when they made their application to the federal government for their funding.

We've run into a bit of a snag at the federal level. The snag is that Mr. Danson and his people want a commitment from the province and the municipality as to implementation of the final results of the study. We're very concerned, as are the municipalities and the PMLC, about making any commitment on implementation, because we're not totally satisfied as to the type of cost-sharing that is being proposed.

What we have said to the federal government is, "Can't we go ahead and carry out the studies and then, once we find out what the costs are going to be, we can try to determine whether or not we could afford to do it and what sort of cost-sharing there might be?"

The federal government is in a bit of a bind—and I appreciate Mr. Danson's position—in that it doesn't have a great amount of money on a national scale. There are two very large projects going on in western Canada that could take up most of the money, which is around \$200 million, if I remember correctly.

**Mr. Makarchuk:** How did they get in ahead of us in terms of getting the cash? Was Otto Lang involved or something?

**Hon. Mr. Rhodes:** In western Canada?

**Mr. Makarchuk:** You said two western provinces have got most of the cash.

**Hon. Mr. Rhodes:** I don't know, but this was—

**Mr. Makarchuk:** I just wondered how they got ahead of us; that's what bothers me.

**Mrs. Campbell:** They were picking it up.

**Hon. Mr. Rhodes:** No, this is under the new Railway Relocation and Crossing Act, and I think a lot of preliminary work had been done in both of those communities in western Canada.

**Mr. Makarchuk:** We in Brantford have done most of our preliminary work. It is not a case of whether we can afford to do it.



I'm not sure of the other communities, but Brantford is an example of one where they have to do it, because the way the railway runs it is a blight on the community; consequently, there is no way we can reconstruct the downtown area and bring in the proper roads and everything else unless we move the railway. Therefore, if the community does not move pretty soon, or in the next few years, we're going to be faced with a lot more expensive problems—social problems and everything else that could develop.

**Hon. Mr. Rhodes:** There is one major cost factor that we really think has to be overcome, and it was very explicitly explained to us at a meeting of the three levels of government, which was held in Sudbury. It was made very clear and very pointedly that there would be no money available from the federal government for the relocation of those businesses and industries that would be served by the railway. That has to be a tremendous cost, and we were told that there would be no federal money at all for that area. I am not totally familiar with Brantford—I am sure you are—but many of those businesses that require rail would have to relocate.

**Mr. Makarchuk:** No, not in our case. In fact, in most cases we can move the railroads without affecting the industries. They have moved themselves, but they have left the wrecks—

**Hon. Mr. Rhodes:** Well, then you would be in good shape.

**Mr. Makarchuk:** Yes, okay. But the problem is that what has happened now, as I understand it, is that there has not been an agreement between the province or the federal government. Ontario is reticent about signing that agreement. Is that correct?

**Hon. Mr. Rhodes:** No, we are prepared to go into the study proposals right now.

**Mr. Makarchuk:** How long are you going to keep going into these study proposals? The federal options have been available for at least four years I think. The railway relocation agreement has been on the books—

**Hon. Mr. Rhodes:** No, the Act only came into being last year, the federal relocation—

**Mr. Makarchuk:** I think the indications were at least four years, because we were talking on it before last year.

**Mr. Haggerty:** It took them four years to get the property—

**Hon. Mr. Rhodes:** That's a lot of malarkey and you know it.

**Mr. Haggerty:** Come on, John, you know it too.

**Hon. Mr. Rhodes:** You just better make sure before you jump on my back on that one. Prior to the Railway Relocation and Crossing Act coming into being—the federal bill—all the studies that were done were done as transportation studies funded between the Province of Ontario and the municipalities. It was done on the straight transportation factor, there was no other use involved.

**Mr. Makarchuk:** It may be that there wasn't anything sort of definite on paper, or specific dates, but certainly you knew about the Act coming into force, as we did, and what bothers me is the fact that the province was not sort of picking up the pace. As this legislation was coming on stream, you weren't getting your end of things prepared to participate in the legislation.

The western provinces have managed to do it, and I don't think their community planning on railway relocation was any further ahead out west than it was in Ontario in some of the communities.

**Hon. Mr. Rhodes:** I am sure that much of the preliminary planning has been done. My own community, for example, is one that has been studying it for years. It's well advanced.

**Mr. Makarchuk:** I am sure yours is just as far advanced as whatever community out west, but where is the difference?

**Hon. Mr. Rhodes:** The difference was that they insisted, because of the limitations on money—we had a list of, I don't know, probably 15 or 20 municipalities that wanted to be involved in railway relocation.

**Mr. Makarchuk:** And you cut that down to five.

**Hon. Mr. Rhodes:** We were told we had to cut it down, that there wasn't sufficient money.

**Mr. Makarchuk:** And you cut it down to five, and you selected three or four.

**Hon. Mr. Rhodes:** I think there are four.

**Mr. Makarchuk:** Brantford was one of them.

**Hon. Mr. Rhodes:** What we did then was to go ahead and select the four, because we were basically told that is about all you will be able to get started on in Ontario;



because there is a shortage of money available for that programme on a national basis. The two that are in western Canada, I am assuming, were two that were fairly well advanced, and they went ahead and started their programme there.

**Mr. Makarchuk:** Well, I question what—

**Hon. Mr. Rhodes:** The requirement of the Act is that it be the preliminary study, because they are getting into land use as opposed to straight transportation. That was the big difference.

**Mr. Makarchuk:** I would question that they were any further ahead than some of the other communities, and somehow I feel that Ontario missed the boat on these things, if the Prairie provinces have received \$200 million—

**Hon. Mr. Rhodes:** Oh no, I didn't say they received \$200 million. I said that was the total budget that was available and some of it was being done there.

**Mr. Makarchuk:** Most of it was spent somewhere out west.

**Hon. Mr. Rhodes:** Some of it is being spent there; how much I don't know.

**Mr. Makarchuk:** So what are the prospects for the future? Are we on the verge of having a new agreement with Ottawa on this? Could you give some indication as to perhaps some dates when something will be happening in Ontario regarding railway relocation?

**Hon. Mr. Rhodes:** I would have to think that unless there is a change of thinking by the federal ministry, requiring us to make a commitment on implementation without really knowing what the total costs are going to be, I think it will be a while.

**Mr. Makarchuk:** So what you are involved in is one of those situations where you are saying that the programme is open-ended and therefore we are not committing ourselves to this programme because we don't know what funds the Province of Ontario will have to contribute.

**Hon. Mr. Rhodes:** That's probably a fair statement—or how much would the municipality be stuck with?

**Mr. Makarchuk:** All right, this is fine, the province is concerned, but the least you could do is offer the municipality the option. The municipality perhaps can look at it and say, okay, the province is not prepared to provide any funding whatsoever; it is going to

cost us so much, from a municipal point of view. Maybe the municipality might be prepared to pick up the slack, but as it stands right now, the municipality can't move.

**Hon. Mr. Rhodes:** No, we have agreed with any municipality that is ready to go, we have made an application with the municipality through the federal government for the money. The federal government is balking and saying we must have an agreement on implementation before they will advance the moneys for the preliminary stages of it.

**Mr. Makarchuk:** What you guys are doing is playing the game that, on one hand, you will argue the municipality is the creature of the province. The federal government, when it has to lay out the money, insists it is the creature of the province; when it doesn't have to lay out the money, it is the creature of the federal government, and you are playing the game.

**Hon. Mr. Rhodes:** Railways are the creature of the federal government and have been since the day they had the last spike.

**Mr. Makarchuk:** No, I am not arguing that point but I am sort of arguing the point that when it comes down to implementation of programmes that are related to the municipality, then you guys start playing this game.

**Hon. Mr. Rhodes:** All I want to know is what the cost is. I am sure not going to—

**Mr. Makarchuk:** Let the municipalities then look at themselves and say, "Okay, this is the cost. We will get so much funding, can we raise it locally?" I am not saying they are going to accept it or not. They may find it too expensive.

**Hon. Mr. Rhodes:** We have worked in conjunction with the PMLC on this and it is one of the items that has been discussed in complete openness with the PMLC. I think you will find they basically agree with the position we are taking—that there has to be a more firm direction as to what it is going to cost, final implementation cost, before anybody commits himself.

**Mr. Makarchuk:** I question that sort of working. You are always working, but you are not getting anything to fruition and that is what bothers me.

Unless you wanted to interject something else, I will move from that point, Mr. Minister, to the Townsend site. Have you



committed yourself now that you are going to have the Townsend site in effect, or is this still subject to all sorts of local and—

**Mr. Chairman:** Mr. Makarchuk, could we leave the Townsend community?

**Mr. Makarchuk:** This will be my last point. I will probably take five minutes.

**Hon. Mr. Rhodes:** It's a specific item?

**Mr. Makarchuk:** I realize that. Then I will be clear with the vote, for the time being. I think that was the understanding, that the others can move back and forth.

**Hon. Mr. Rhodes:** Neil, would you like to come up? You can answer some of the more technical questions for Mr. Makarchuk.

**Mr. Makarchuk:** The major concern is, are you prepared to go ahead with the Townsend site?

**Hon. Mr. Rhodes:** Yes, we're prepared to go ahead with the Townsend site.

**Mr. Hall:** I am a little bit confused. Are we still trying to clear 2, 3 and 4?

**Mr. Chairman:** Yes. Mr. Hall, you didn't have a—

**Mr. Cassidy:** This is all that he has remaining on the entire vote and he doesn't want to participate again when we get to Townsend.

**Mr. Makarchuk:** Well, I may participate on other aspects but in this particular—

**Mr. Haggerty:** Tomorrow's another day.

**Mr. Makarchuk:** We did drift all over the place, I think.

**Mr. Chairman:** Mr. Hall, is that all right with you?

**Mr. Hall:** I am satisfied if you want five more minutes. You haven't taken as much time as a lot of people, so if you want to clear the air—

**Mr. Makarchuk:** As a matter of fact, I will be very brief and to the point.

**Hon. Mr. Rhodes:** You're a nice man.

**Mr. Hall:** I didn't say that.

**Mr. Makarchuk:** He hands us our overflows; we don't cut him on his—

On the Townsend site, has the government committed itself to going ahead with that site or is it still subject to various other approvals or changes of decision?

**Mr. Dunne:** Mr. Chairman, the government has acquired a 13,400-acre site. We have been working very closely since 1969 with the former two counties and 28 municipalities, and since the time the region was formed, in looking at the ways and means of providing for an additional 100,000 people, who are going to come about as a result of the Stelco, Texaco and industrial activity. So the regional municipality, through the task force on regional development strategy that is going to be the basis for the regional official plan, has made certain decisions based on interim reports from that task force. The regional council has adopted a principle that Townsend will be the major urban place in the regional municipality and made that recommendation to you, Mr. Minister.

The programme is proceeding on schedule for a conceptual design of the municipality. This plan will be completed by April 1, 1977. In addition to the overall concept plan, we will have a detailed plan of subdivision for the first housing that is required in 1978. The Ministry of the Environment, working with the regional municipality and with the Townsend community development programme, is proceeding with—in conjunction with the wishes of the regional municipality—regional servicing and interim servicing. Does that answer your question, sir?

[4:30]

**Mr. Makarchuk:** Yes. When do you intend to have your first plan of subdivision drawn up for this new site?

**Mr. Dunne:** The first plan of subdivision will be complete by April 1, 1977.

**Mr. Makarchuk:** In other words, next year. This is what bothers me about this thing. You managed—the minister knows this—to build Elliot Lake in pretty rough terrain, and plan a community in something like three years; less than three years, as a matter of fact. Here, you have been playing around with this site for seven years and in the eighth year you are going to get the first plans of subdivision.

It seems to me you are playing games or playing footsies with the local developers who acquired land around Port Dover and Simcoe and, until such time as their land is all used up, you guys—if you don't mind the use of that term—you people are not prepared to move there. You could be in a position in that area to bring in some housing at fairly low prices. All you have to do about the land cost is pick up the total cost of the land



and nothing else. There is no speculative profit or anything involved in this situation. Why the delay? Why do you keep delaying it? Is there any reason why you can't have the shovels and construction in in the spring of 1977?

**Hon. Mr. Rhodes:** First of all I think you know very well that you really can't compare the development at Elliot Lake with the development at Townsend.

**Mr. Makarchuk:** Townsend is much simpler.

**Hon. Mr. Rhodes:** My friend, Elliot Lake was a community which was hewn right out of the woods.

**Mr. Makarchuk:** That's right.

**Hon. Mr. Rhodes:** There were no municipalities to be dealt with. Certainly at the time it was developed there was nowhere near the type of impact there is now, requiring studies and environmental considerations. I didn't know you were so old you would remember when Elliot Lake started but I do and I can tell you you cannot compare that situation with what is developing in the Townsend area.

**Mr. Haggerty:** It won't be providing any more jobs though.

**Mr. Makarchuk:** I was there for the opening of the Algodon.

**Hon. Mr. Rhodes:** I believe that.

**Mr. Haggerty:** How many jobs will you create in that area?

**Hon. Mr. Rhodes:** You probably wouldn't go to Elliot Lake until there was a hotel.

**Mr. Makarchuk:** I had business in Elliot Lake, in Blind River and in Sudbury at that time.

**Mr. Haggerty:** How many jobs will be created there between Stelco and Texaco? They tell me it's going to be really advanced in technology and so on, particularly the steel company. Perhaps it would take 500 or 600 employees to do the same job, have the same output at Hamilton, but it will probably take far fewer employees there. It's all automatic.

**Hon. Mr. Rhodes:** I can only go by the figures made available and they are talking of roughly 22,000 jobs.

**Mr. Haggerty:** Roughly 22,000 jobs; but you are not sure. I don't think Stelco is going to have that many.

**Hon. Mr. Rhodes:** I suppose I could be wrong as well as right and I think you are in the same boat.

**Mr. Makarchuk:** To get back to the topic here, Mr. Chairman, basically I agree, you have the municipalities but you were involved in the Townsend site long before 1969. I remember when the Treasurer (Mr. McKeough) used to hold meetings in Jarvis and invite me and other local politicians and tell us what great things were going to develop.

What sort of bothers me is that one of the reasons for the problems you have in Housing is that here you are in a position to get land at cost for housing and you have been playing around with it for a long time. I am not too sure the local municipalities are really that much to blame. Most of them have accepted the fact that there is going to be a new townsite. There hasn't been that kind of objection. There have been some local adjustments required but really not on that kind of decision.

One of the reasons perhaps you are a little sensitive about the area is that your member was defeated there. He wasn't defeated over the Townsend site, I can assure you, it was a different matter altogether; it was the regionalism that really went against him. The other point on that is why do you keep the second site? For what purposes?

**Hon. Mr. Rhodes:** The Cayuga site?

**Mr. Makarchuk:** Yes.

**Hon. Mr. Rhodes:** I don't know what we're going to do with it. We've got it; it's there.

**Mr. Cassidy:** Have you written to John White, to ask him?

**Mr. Makarchuk:** Seriously, how many acres have you got in the second site.

**Hon. Mr. Rhodes:** How many acres are there at Cayuga?

**Mr. Dunne:** There are 12,000.

**Mr. Makarchuk:** It's 12,000 acres. It's good farm land. It's better farm land than they have in the Townsend site and you have it tied up.

**Mr. Cassidy:** It's the other way around.

**Mr. Makarchuk:** Okay, but still it's good farm land and you've got it tied up. You have introduced an element of uncertainty in that area.



**Mr. Dunne:** Mr. Chairman, the lands at both Townsend and Cayuga are under farm lease; they are in full productivity as to agricultural use.

**Mr. Makarchuk:** To a point; but they are not as developed as they possibly could be in terms of—

**Hon. Mr. Rhodes:** You mean they could grow more?

**Mr. Makarchuk:** Yes. If he knows he is going to be there, he can—

**Hon. Mr. Rhodes:** Come on, you're pulling my leg.

**Mr. Makarchuk:** He certainly can. There is one way you mine the land and the other way you farm the land; that is something that happens when you are leasing it instead of buying it. So you don't know what you are going to do with the second town-site and you have no plans for it right now?

**Hon. Mr. Rhodes:** At this stage, no, there are no plans for it.

**Mr. Makarchuk:** Okay. That's all I have on that point.

**Mrs. Campbell:** I have just a few comments, and I take it that I should not get into community renewal at this time. I think I have to respond to a couple of things that were said by the member for Oriole (Mr. Williams); I just can't allow them to pass.

When I was discussing the matter of impact zoning, I certainly wasn't promoting some kind of speedy, no-plan process. I think if Mr. Wronski were here, he would agree that impact zoning is a very new tool and that it is being used very successfully in parts of the United States. I think the other misunderstanding is that of course it takes time to get to the point where you have used all your data and arrived at the impact zoning for an area. It is only when that process takes place, that you then proceed on a two-week basis. It seems to me that this makes eminent good sense.

The other thing that has come out of all of these discussions about the environmental studies that have to be done in connection with housing—and I'm not objecting to that—is that it's interesting, having in mind what the member for Oriole had to say, that this government has in its records, I presume now in its archives, a report known as the Cowling report. Alf Cowling was the chairman of the committee which discussed the whole matter of the environment and the effects of

motor vehicle travel; and yet none of this goes into any impact study when we are dealing with such things as the things to which my friend from Spadina was referring.

**Hon. Mr. Rhodes:** Excuse me. This report intrigues me. It must be in the archives, because no one here knows about it. What year was it?

**Mrs. Campbell:** It was in the archives in 1961 when I dug it out. I think it was back in the 1930s.

**Hon. Mr. Rhodes:** The report was made in the 1930s?

**Mrs. Campbell:** I believe so. I know that when I dug it out in 1961, I had to get it out of the dustbin. It was used very effectively by one Alan Ackman in discussing the Spadina Expressway; and at that point in time even poor Mr. Kennedy, for whom I had a great respect, felt that anything to do with environmental studies was really quite off the point when one was discussing expressways. I would just like to point out to you that I don't think the government has changed its position in that time. I felt I had to make those two points.

It is interesting that the member for Oriole feels that the city doesn't understand about motor vehicles. When I was lecturing at York University, as I did on occasion, I found it an awful nuisance that I had to slow down to get up Keele St., because those dreadful people who lived in that area parked their cars on Keele St. and I couldn't get through in a hurry when I wanted to. I think that should be recorded so that the member for Oriole may understand something of the problems.

**Hon. Mr. Rhodes:** That's when you ran for council and had bylaws passed banning parking?

**Mrs. Campbell:** No. I had no authority, but I would have loved to do it. I am just pointing out that North York has so consistently tried to plan the transportation in downtown Toronto.

**Mr. Chairman:** Mr. Lane, then Mr. Cassidy and Mr. Haggerty.

**Mr. Lane:** Thank you, Mr. Chairman, I will be very brief because Mr. Hall and others have asked questions and got the answers that I had some concern about.

Just for clarification purposes, the district of Manitoulin presently has an official plan in the works; we also have a planning board that has been set up. I am just wondering



what the sequence of authority is, when things are in that stage, because I picked up a local newspaper last week and I noticed where a certain township was reluctant to give permission for a land severance. I happened to meet up with a couple of the boys who are on the planning board and asked them how they felt about it. They felt there was no problem. Who does have authority at a time when an official plan is in the mill and when there is a planning board?

**Hon. Mr. Rhodes:** The planning board is only a recommending body. It's still the elected members who make the final decision.

**Mr. Lane:** So the township would overrule the board, at this time, and the minister would overrule the township, if necessary.

**Hon. Mr. Rhodes:** Yes, I suppose, if necessary, but the township still would have to make its decision, based on the recommendation.

**Mr. Lane:** Thank you for the clarification. The other thing I would like to mention is something the minister mentioned some few moments ago. You know that we talk about bureaucracy and the slowness of the civil service, but it is actually the politician who is responsible for policy. I couldn't agree more, sir, but this province needs different applications of the same policy in different parts of the province. I'm sure you're getting tired of hearing me say north versus south so I'll say that even your city of Sault Ste. Marie is a heck of a lot different from my little island of Manitoulin, as far as subdivisions and land separations and so forth go. I'm just wondering how do we ever overcome this type of thing where we have a policy for the province and really the same application doesn't apply one place as opposed to another?

**Hon. Mr. Rhodes:** I think that's probably one of the reasons why you have the planning board established on the island. It is to recognize that these are the people who should be developing the policies that would apply properly to the land use on Manitoulin Island as opposed to attempting to impose the policies that have been developed in North York.

**Mr. Lane:** We're lucky, in a way, to have it in Manitoulin district but there is a great area, in that north country that hasn't got any planning board. This policy is just never going to fit that area. I would hate to think of the number of hours I spent in the last

4½ years trying to resolve some of the problems that just never seem to get resolved.

**Hon. Mr. Rhodes:** One of the things we would try to encourage—and I think over the years the attempt has been made—is to have many of the municipal organizations, and we do have the municipal structure in the north, develop their own official plans and their own zoning bylaws and develop their old policies. The point that Mr. Laughren was making the other day is, and you are well aware of it, the great number of acres of land that have no municipal organization, and the small communities that he was talking about that pop up and create a big problem. We recognize we've got a problem. Mrs. Santo is here and maybe she can make some comment on that part of it, and what we can do in the unorganized areas as opposed to the organized areas.

**Mr. Laughren:** With Manitoulin, you're going to have it all paved over so I assumed it's going to sink. That will remove that problem.

**Mr. Lane:** That statement is so stupid, it's not even funny.

**Hon. Mr. Rhodes:** I think all we're paving there is the roads. I understand there is a certain member from Nickel Belt who, I can remember when I was in MTC, was sure looking for a whole lot of blacktop.

**Mr. Laughren:** Not on Manitoulin.

**Hon. Mr. Rhodes:** What were you trying to sink up there?

**Mr. Laughren:** Nickel Belt won't sink; Manitoulin Island will.

**Mr. Lane:** If 15 miles of blacktop sinks Manitoulin, then it is not as valuable as I think it is.

**Hon. Mr. Rhodes:** I am sorry, Mrs. Santo has some comments.

**Mrs. Santo:** Yes, Mr. Chairman. We've realized that the Province of Ontario has very many unique areas in it and no one policy could ever affect and control or guide developments of the entire province. This was one of the reasons that in southern Ontario, where we have land division committees, we have asked each land division committee to come up with its own severance policies and, within those policies, to define the resources and the areas where development should go that are specific to their particular counties. In the north what we're



trying to do, where there is a municipal structure, is to get either a joint planning board or planning board started so that they, as the local people, could do studies and define the policy and growth strategy for those areas.

Where we don't have an organization, it makes matters a lot more difficult. What we hope to do is to get various groups of people together, with the Ministry of Natural Resources as the key agency—because of the amount of land that it owns—and try to come up with policies that could be implemented in a different form than we would implement them in an organized municipality.  
[4:45]

**Mr. Lane:** Thank you very much. I am glad we are not going to have to apply the same policy to parts of the province to which the application just doesn't fit.

**Mrs. Santo:** We have a severance policy for northern Ontario that is quite different from any of the policies we have been using in southern Ontario, and this policy is to recognize the unique difference of the north.

**Mr. Lane:** Mr. Chairman, I hate to be nasty, because I didn't take my pills this morning and I am really a very sweet-tempered guy, but when I hear the minister say 60 plus 30, and then hear the young lady say we have different situations in northern Ontario, I can understand now that 60 plus 30 doesn't apply to northern Ontario, because 60 plus 30 doesn't really mean anything in many cases.

**Hon. Mr. Rhodes:** No, that is not correct.

**Mr. Lane:** I have to antagonize you in some way, but I have to be fair. Just bear with me for one moment, and I will not mention any names; I don't want to embarrass myself.

**Hon. Mr. Rhodes:** Only if you are accurate.

**Mr. Lane:** Just as an example, sir, last October a gentleman living on this lot decided he wanted to buy his neighbour's house, so he made application to purchase the home. He also advertised his own home for sale. This was in October, and in January he called me and said his money was lying down in the lawyer's office. "I can't use it, no one can use it, I can't get my deed registered. What the hell goes on?" he said. So I investigated and found out from your people that you didn't have a report back from the Ministry of the En-

vironment. The snow was 6 feet deep and they couldn't get a report at that time.

Well, sir, what in hell did they need a report for, because there was just one man moving out of one house into another, and somebody else moving into his house? There has been a family in each house all the time.

**Mr. Haggerty:** Land accumulation.

**Mr. Lane:** In any case, I talked with Dr. Crook in Sudbury and he said the same thing. He said to me, "Well, what in hell do we need it for?" I said, "You tell me and then we will both know." So he said, "We just changed our policy here now and these things will be approved." That was in January. The guy got after me again about two or three weeks ago, and he said, "What happened? I haven't got anything yet," and this started back in October.

I got on the phone to your man over in Housing and he said, "Well, looking back I see a note on my plans here saying that we don't have anything from the municipality, and we don't have anything from the Ministry of the Environment." I said, "You do have something from the Environment people, because I have a copy. I know that for sure. The municipality, I can't be sure of." So I called the municipality, and they said, "Oh yes, we sent that in last October."

I called him back and he said, "You are telling me something I don't know anything about. So will you please send me your copies?" I did; I sent my copies to him. This had been going on for six months.

The next morning I said to my secretary—and she is an exceptionally good secretary—"Take these two deeds over and don't come back until they are stamped." She went over and the guy was reluctant to stamp them, but she said, "I can't go back until they are stamped." So she got them stamped. The 60 plus 30 doesn't work, sir. It doesn't work.

**Hon. Mr. Rhodes:** Obviously, you haven't really taken a good look at what we said about the policy we had. The 60 days and 30 days applies for subdivisions, not to land severances. It never was applied to land severances.

**Mr. Lane:** Now you tell me.

**Hon. Mr. Rhodes:** I can't be responsible for your inability to comprehend what we put out in the way of a policy.

**Mr. Laughren:** John, do you want help from your friends?



**Hon. Mr. Rhodes:** Just for two weeks of the year.

**Mr. Lane:** Well, as long as I know. The minister is a very fine fellow. I hated to embarrass him.

**Mr. Haggerty:** It is pretty hard to follow that act.

**Hon. Mr. Rhodes:** One thing you can't do is embarrass me.

**Mr. Lane:** I am a very sweet-tempered guy. I don't want to cause any problems, but I do want some results.

**Mrs. Campbell:** You call the police.

**Hon. Mr. Rhodes:** I think you are entitled to results.

**Mr. Lane:** That is just one example, sir. I could go on to several, but who wants to hear about it?

**Mr. Haggerty:** What about his forecast?

**Mr. Chairman:** Let's have a little order here.

**Hon. Mr. Rhodes:** I am quite prepared to listen to more if you want. You told me about this before and I thought it had been resolved in the ministry. If you have more then by all means, let's try to resolve them, but as far as the 60-30 days, it never has applied to land severances. That policy was applied to subdivision approvals, not to land severances.

**Mr. Lane:** What does apply to land severances?

**Hon. Mr. Rhodes:** It is a matter of getting the severance application in and having it dealt with. If the reports indicate there is an environmental consideration we will have to go ahead and get them but we have not established that.

**Mr. Lane:** Maybe something could come out of this. If a man is moving from one home to another where there is a septic tank system and where there has been no complaint lodged about that system, surely we don't need a report from the Ministry of the Environment to separate that protected piece of land? Surely not.

**Mrs. Santo:** Mr. Chairman, there are two questions here. One is the timing. In the summer months the consent applications move very quickly and the reason for that is that most of the ones in the north are on septic tanks and we can get an inspection. In

the winter months, if we receive any applications at the end of October or beginning of November normally, because we can't be provided with the report from the health unit and the Ministry of the Environment, they will sit through the winter because you can't go out and inspect the property for septic tank purposes.

The other part of your question—

**Mr. Lane:** Before we get to the other part, why do we need a report from either one of those ministries if it is just one family moving out and one family moving in?

**Hon. Mr. Rhodes:** John, did the application indicate this?

**Mr. Lane:** There's no complaint.

**Hon. Mr. Rhodes:** I haven't seen the application and you have; did it state that there was a building on this property?

**Mr. Lane:** Certainly.

**Hon. Mr. Rhodes:** It did say that?

**Mr. Lane:** By all means.

**Hon. Mr. Rhodes:** That's the question I have—did it say it, because you talked about a new house being built.

**Mr. Lane:** No. The buildings were already there and have been there—they are old buildings. They are probably older than I am.

**Mrs. Santo:** Mr. Chairman, what we find in many of these situations is that the application itself is not completed fully in that they expect we have knowledge of the situation.

I don't know the specific one you are talking about, as far as recalling the application for it is concerned, but in many cases when we do get complaints because it seems like such a straightforward matter, in checking our files we don't have that straightforward information. We have many on file which are merely lot adjustments or lot enlargements. The sketch which comes in just shows a square off a farm and on the application form they say, "Intended use, residential." They don't tell us that it is an extension to an existing residence.

**Mr. Lane:** The only thing I know in this case is a legal secretary did the applications. She has been in the business for a number of years so hopefully she would know what she was doing. I can't really tell you that.

The other thing you mentioned is that in the summertime these things go very quickly. Summers up north pass very quickly and we



will have the same application before us next summer as we had last summer. I am not going to say anything more as the vote has to pass by 4 o'clock.

**Hon. Mr. Rhodes:** I am going to dig that application out and find out what it does say.

**Mr. Lane:** I would be glad to talk to you about it and it would make you cry.

**Mrs. Campbell:** Tell us, too, because it is interesting.

**Mr. Hall:** I would like to hear the next chapter on that.

**Hon. Mr. Rhodes:** Join us again on Monday.

**Mr. Chairman:** We have Mr. Cassidy and Mr. Haggerty in 3½ minutes.

**Mr. Cassidy:** If Mr. Haggerty wants to start, that's fine. I had several things. If you want to pass the first of these three votes when we get to 5 o'clock that is okay. I will leave that to Mr. Haggerty; he may want to comment specifically on that.

**Mr. Chairman:** Items 2, 3 and 4?

**Mr. Cassidy:** No, if you wanted to pass item 2 and leave 3 and 4, I am sure what I have to raise could be raised under 3 and 4, with a bit of tolerance from the Chair.

**Mr. Haggerty:** I may want to cover the same field and I don't think I can cover it in two or three minutes.

**Mr. Chairman:** Did you want to talk to item 2?

**Mr. Haggerty:** I want to cover plans administration and this is what we have been going all around here this afternoon. It is up to item 4, local planning—

**Hon. Mr. Rhodes:** Is he a member of this committee?

**Mr. Haggerty:** —plans administration, community planning and local planning.

**Mr. Cassidy:** May I suggest that we leave 2, 3 and 4 open as a group and continue the agreement to deal with them as a group?

**Mr. Haggerty:** Are you going to deprive me of my rights now? I have been reasonable, John; I have sat here almost two hours.

**Hon. Mr. Rhodes:** Mr. Chairman, I would suggest that if both Mr. Haggerty and Mr. Cassidy have comments to make we should adjourn now and we will carry on when we come back. It shouldn't take too long.

**Mr. Haggerty:** At 8 p.m.?

**Mr. Cassidy:** I had about six specific questions. Can I put them out now so that you can have quick answers for me?

First, I want a report on the Leeds and Grenville severance situation which the minister was looking at;

Second, a report on the 25-acre rule and what changes you are making in the rural severance policies of the ministry in order to stop the loss of farmland entailed in the 25-acre rule;

Third, the ministry policy on approval of condominium conversions particularly with the pressure now under rent review;

Fourth, I wanted to know the pay for the commissioners under the Planning Act review, and an overall budget for the Planning Act review, and then I have some other comments which I will make later;

Fifth, if there is some kind of status report you can give us on the use of ministerial zoning orders—that is, the number that are out right now, how many have been withdrawn, and that kind of thing, that would be very useful;

Sixth, whether there is any actual ministry policy now on municipal imposts; I don't think so;

And seventh, whether you have done any research on sewer-free housing.

**Hon. Mr. Rhodes:** Sewer-free housing?

**Mr. Cassidy:** Pipeless housing. In other words, where you don't have to have pipes in order to have housing.

**Hon. Mr. Rhodes:** Septic tanks?

**Mr. Cassidy:** No, not septic tanks. For urban uses as opposed to rural uses. I'll just leave those questions with you.

**Hon. Mr. Rhodes:** Never even heard of it.

**Mr. Cassidy:** Like wireless radio.

**Hon. Mr. Rhodes:** It's got to have some odour.

**Mr. Cassidy:** You are paying \$5,000 a lot for sewers and services, and these alternatives are not being adequately researched. I would like to know whether there is any research going on.

**Hon. Mr. Rhodes:** Okay.

**Mr. Chairman:** The committee will adjourn until after question period on Monday.

The committee adjourned at 5 p.m.



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 Dunne, A. N., Director, Townsend Community Development Programme, Plans Administration Division  
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 Santo, Mrs. D. L., Director, Subdivisions Branch, Plans Administration Division  
 Wronski, W., Assistant Deputy Minister, Community Planning















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# Legislature of Ontario Debates

**SUPPLY COMMITTEE—2**  
**ESTIMATES, MINISTRY OF CONSUMER  
AND COMMERCIAL RELATIONS**

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Wednesday, May 12, 1976

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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1976





quite a programme to keep properties insured to value. You're getting into the area of what is replacement, of replacement costs, and also raising the question of depreciation on existing homes and these are very difficult areas. But if you don't insure your home, taking care to try to get a careful appraisal, and keep it insured to its replacement value, then you could get into serious problems on a fire loss.

I do know the Insurance Bureau of Canada produced an excellent guide about a year ago for calculating the desirable amount of insurance you should have. I used it myself. I found it relatively accurate.

I think the point you're making is that this is a particular hardship on the individual. I think it may well be so. We would like to look into that with some more detail, but generally speaking you should keep your house insured to its replacement value—and there are guides and yardsticks. You don't need an appraiser to do that—unless it is quite expensive property, or something along that line.

**Hon. Mr. Handleman:** I think I've used the guide myself, and I was surprised to find how far behind my insurance had fallen. The guide is accurate, and I really do feel there is tremendous confusion about replacement value and market value. I think this is the problem. Many people say their home is worth \$75,000 on the market and insure it up to that, forgetting that maybe \$20,000 or \$25,000 of the value is the site and some of it is the foundation, which shouldn't be included; and you're really talking about replacement value which could be \$40,000. The IBC card the agents pass out with your renewal is very good and very accurate.

**Mr. Chairman:** Mr. Minister, I also have a question on trust corporations. First of all, the select committee did a magnificent job.

**Mr. Moffatt:** Were you on the committee?

**Mr. Chairman:** Of course, I was on the committee. How is it coming along?

**Hon. Mr. Handleman:** I think Mr. Thompson is deeply engrossed in the review of the select committee report, and perhaps he can give you an update on that.

**Mr. Thompson:** Yes, Bob Brewerton from my office, and who spent considerable time with the committee, has undertaken the task of trying to produce a bill which is going to be of some monumental scope. I believe he is nearly through. He is preparing the bill

generally in the form of the recommendations as made in order that we can sort of get the picture of what the select committee's recommendation was, putting it all together.

The cross-references in that Act will be rather substantial, because I think the area of discretion was an area we spent a great deal of time on. We tried to reduce these and to make it a much more simplified code and more of an operating code also for the industry, which was somewhat concerned by the technicalities that are brought into it and the number of regulations on it that now exist.

I think if we can pretty well get it down into one document this year, I think we will have done a pretty good job.

**Hon. Mr. Handleman:** I think there are some complications, too, Mr. Chairman, with regard to the revisions to the Bank Act, and we would like to make sure that our legislation is not in conflict with whatever the federal government comes up with in their revisions.

**Mr. Chairman:** I think the Bank Act is coming up next year.

**Hon. Mr. Handleman:** We are working on ours now, but I really feel that we should be aware at least of what the federal government proposes. I think all of the briefs are in now in the revision of the Bank Act, and they are now ready to take us into their confidence in the way they are thinking. I will be speaking to the Treasurer about the way we're thinking on the amendments to the Loan and Trust Corporations Act.

**Mr. Chairman:** I hope I don't misconstrue, but Murray Thompson's answer seemed to me to be saying that both Murray Thompson's senior staff and the industry are all terrified of discretions.

**Mr. Thompson:** No, I was just going on the report.

**Mr. Chairman:** We gave wide discretions. [2:15]

**Mr. Thompson:** I think I was talking about the number of various instances within the Act. I think we've tallied about 127 different instances. We thought we might simplify this and, perhaps, reduce the number, but to make it more effective we could eliminate some areas and others we could combine together. Combining them together, in dealing with the overall problem, would be the best approach that we could take.



**Mr. Chairman:** It just shows the confidence the committee reposed in you. After your death we would have to completely revise the statute and take them back out again. This is your cemeteries plan.

May I ask about credit unions? You have a note in your annual rundown—I don't quite know what to call it—before us which I think the committee is grateful for and, certainly, I'm grateful to have in front of us giving us background material for these estimates. With respect to the credit unions on page 7, you were obviously unable to work a deal with the Canada Deposit Insurance Corp. so you're setting up your own provincial depository.

**Hon. Mr. Handleman:** I don't think it was a question of working a deal with Canada Deposit Insurance Corp. What happened, as you may recall, last year when we did propose that there be a deposit corporation and stabilization fund in Ontario was the credit unions had some objections to that. We suggested they might want to negotiate with Ottawa for inclusion in the CDIC along with their competitors, the loan and trust companies and the banks.

They did. They met with Mr. Humphrys in Ottawa a number of times. I had spoken to the former minister, John Turner, asking him to give them every courtesy and they were given that, but they were unable to accept some of the terms of entry into the CDIC plan. They found, of course, that the loan and trust companies and the banks are subject to much more rigid types of controls than they would be under an Ontario plan. We started back at square one with them about six months ago, I guess, and we've been working on it ever since. We've now reached agreement in principle of which I'm sure you're aware.

The Credit Union League and the Federation de Caisses Populaires have both agreed to the kinds of draft legislation they have seen. The independents have not yet been contacted and, therefore, we have made a commitment that we will bring in the bill for first reading before we recess for the summer. They will have all summer to look at it and come back with any objections or suggestions they may have. Hopefully, if we're still around we'll proceed to enact it in the fall.

**Mr. Chairman:** Are there any further questions on financial institutions?

**Mr. Grossman:** Is it still a practice or codified somewhere, forgive me, to require that a trust company or somebody applying

for a new trust company licence, establish outside Toronto or at least in an area in which there is shown a need for a new financial institution?

**Mr. Thompson:** Yes, that's that part of the statute, the requirement to establish necessity where the head office of the proposed company is situate. Changing circumstances also affect that because the fundamental source of residential mortgage funds in Ontario would be through the trust industry, which has well over three-quarters of its assets out in residential mortgage loans. If somebody has the capital to put up the necessary capital—which is a pretty stiff entrance fee—and in the process of doing it can add a direct residential mortgage lending operation to a community I think they've come a long way to satisfy that requirement.

**Mr. Grossman:** I guess the problem arises in that most people who can pay the entrance fee want to be where the action is, which is Toronto. The feeling is—you tell me if I'm wrong—that if you want to get into Toronto you have to do it somewhat surreptitiously by locating a head office in Marta Lake and expanding your operation out of there until, finally, you open a branch in Toronto. Is that a fair statement?

**Mr. Thompson:** No, I don't think so today. I would think that if anybody was coming in wanting to set up a trust company it would be judged on its merits apart from that. The test under the Act was where the head office is situate, and going back 10 years there was a moratorium, in effect, on new trust companies. But that's gone and there's an increasing interest in Ontario incorporation of trust companies and I think they are proceeding as scheduled.

**Mr. Grossman:** Can I finally then conclude that there's no bar operating right now which automatically prevents the issuance of a licence to a new trust company in Toronto?

**Mr. Thompson:** No, I wouldn't say there is any bar at all in that way. I think it will be judged on its merits. There is the necessity under the Act of establishing necessity and incorporation by supplementary letters patent. It's a discretionary matter. It's not as of right. I think right now we're at a time when a great number of ethnic groups are interested in forming their own trust company for their own community. These are proceeding and the majority of these have head offices in Toronto, although they probably are operating all across southern Ontario, and part of the northland some time



in the future. I would say these are proceeding in a routine fashion.

**Mr. Grossman:** Yes, I know you've recently had occasion to have some credit unions band together and apply for a trust company licence and that was no problem. I just heard a lot of businessmen in the ethnic communities—of course, you've identified the area of my concern, Toronto—saying to me that it was their understanding that because the Toronto area had a lot of trust company head offices here it was impossible, to use their words, for them to create a trust company.

Listen, I don't like the idea of them attempting to show need to you on the basis of an ethnic sort of breakdown; people coming to you and saying, "Look, the Greeks need a trust company." I don't like that myself. On the other hand, it's also fair to say that a lot of the trust companies which are in existence now have not paid enough attention to a portion of the new Canadian market and made enough funds available to it. That's just my own opinion. So I suppose what I'm after is some sort of understanding that I could report to these constituents of mine that it would be worthwhile to undertake discussions with you with regard to getting a trust company licence. I understand it's discretionary, of course, but they're not wasting their time, in other words?

**Mr. Thompson:** No, by all means. My function is to recommend it.

**Hon. Mr. Handleman:** The discretion lies with the Lieutenant Governor.

**Mr. Grossman:** I will speak to Mrs. McGibbon then.

**Mr. Thompson:** I would say there are some five being actively considered now. I believe four are based in Toronto and one is out of Toronto, but they are growing out of either business operations or community or social operations that are relatively well established and based in a particular locality. I don't think that anybody has to resort to a subterfuge of saying, "Well, we're going to start in James Bay."

**Mr. Grossman:** You and I know it has happened, but I'm pleased that that needn't happen any more. Thank you very much.

**Mr. Reed:** Mr. Chairman, on more of a point of clarification, just so that I don't miss it, I was wondering if fund-raising organizations came under the companies area or whether they came under business practices?

**Hon. Mr. Handleman:** I think they are primarily under business practices.

**Mr. Reed:** Fine. I will just leave it and wait until we reach that point.

**Mr. Moffatt:** There are a couple of questions, I gather, under the same part. I am having the same trouble as Mr. Reed, is. There are so many items which come in here that it will take me 10 years before I understand it all.

In the report which you have given us, you mention the foreign ownership of investment companies. I wonder if the minister, or some person, might like to give us some little update as to what is going on with regard to that surveillance, at least of that section of the industry, and maybe clarify what happened at the end of the one-year grace period?

**Hon. Mr. Handleman:** Of course, as you know, there are statutory limitations, so obviously our function is to ensure that the law is obeyed. I haven't, in my year and some months, been advised if there have been any violations of the Act, but perhaps Mr. Thompson can bring you up to date.

**Mr. Thompson:** I wonder if you would mind clarifying that as it relates to insurance companies or loan and trust corporations?

**Mr. Moffatt:** Okay, I just have the habit of going through these things page by page. It is listed in the same vote, that's all. It probably isn't under insurance. It says that in July, 1972, "foreign ownership of investment in Ontario became more tightly controlled," and so on. Companies could not be registered unless the ownership was 75 per cent Canadian. I simply was looking for some kind of statement as to the status of that segment.

**Mr. Thompson:** One year's grace was given to foreign companies already established in Canada to become Canadian registered. And you are asking as to the status. I have got it now, sorry.

It's loan and trust corporations and it relates to legislation brought in in 1972. It is legislation that was brought in by Ontario, and also federal legislation, and it's part of the overall programme to preserve Canadian financial institutions—their identity as Canadian institutions—and to prevent foreign takeovers.

**Mr. Moffatt:** You have had no complaints, I gather then?

**Mr. Thompson:** No, basically it's a 10-25 rule. It allows a group of foreign investors



to invest up to 25 per cent in any Canadian loan or Ontario loan or trust corporation. It limits investment by any one individual to 10 per cent. We have had no problems on that, but we have turned down applications for incorporation that don't—or inquiries concerning applications for incorporation.

**Mr. Moffatt:** Is there any sort of mechanism set up by which you can, within a day or so, scan that section of the economy and see if there are moves by particular companies or foreign firms into that business?

I really know very little about the way this whole thing goes on, but from what people have told me and what I have read, it appears that when such a thing occurs it occurs with great speed. I would gather from comments made in the press when these Acts were changed, that it is going to be very, very necessary for the branch responsible to be able to move with some speed in order to be on the spot at the appropriate time.

What sort of mechanism do you have, and have you had a chance to test drive your mechanism? This is what I am asking.

**Mr. Thompson:** The key part of the mechanism is on the directors of the corporation. The style of the control is that the directors cannot register a transfer of shares in excess of the permissible limits, as defined by the statute, and there are substantial fines and penalties for so doing. It goes further and prevents the voting of those shares that are in excess of the limits. Thirdly, there is a reporting requirement to my office of certain transactions—in fact, any transaction over 10 per cent, whether it be foreign or not; any transfer in excess of that percentage.

**Mr. Moffatt:** Who does that reporting?

**Mr. Thompson:** The company must. In effect, the secretary or whoever is responsible for that.

**Hon. Mr. Handleman:** Mr. Moffatt, the amount of money that would be invested in order to make a move of that nature would certainly lead to caution on the part of the investor. In other words, if you are thinking that somebody would, by subterfuge, come in and gain more than the 10 per cent for the single shareholder or 25 per cent aggregate, the ultimate penalty, of course, is revocation of charter, which means that their investment is worthless. So I don't think you are going to find any subterfuges like people trying to get in temporarily before we catch them, because obviously they are going to lose their whole investment, because of the

violation of the Act, eventually. I don't quite understand.

**Mr. Moffatt:** What I'm looking for, sir, is, is there any kind of enforcement procedure or investigatory procedure, or whatever?

**Hon. Mr. Handleman:** I don't think we're sending out people to look into the shareholdings on a daily or weekly basis of the various companies that come within this legislation, any more than the federal government does for the Bank Act, which has parallel provisions.

I think here you're talking about it being, for the most part, self-regulating, because of the reporting mechanism that is set up through our companies branch and, of course, through the financial institutions where they must make reports of changes. If they don't, eventually the changes will become known to us, in which case the whole company goes down the drain and their investment is lost.

**Mr. Moffatt:** So the report procedures really are the investigatory processes?

**Hon. Mr. Handleman:** Yes, they would have to report in the normal manner of any company. There are special reporting mechanisms for the financial institutions.

**Mr. Thompson:** I think I might also clarify that by saying we do examine these companies annually. All Ontario companies are examined, and it is part of our examination just to check and see that it is being done.

**Mr. Chairman:** We're dealing item by item. Any other further questions on item 3? Carried.

Item 4, motor vehicle accident claims fund.

**Mr. Grossman:** Get in next.

**Mr. Reed:** Thanks, Larry. This probably won't take too long.

I'm interested in a comment that is made on page S-5 of this blue book, Mr. Minister. It says that the number of complaints received on the increase of uninsured motor vehicle fund fee to \$60 would indicate that a number of owners will neither pay the \$100 nor obtain insurance. I'm just wondering, then, under what pretext that they can drive on the road if they will neither obtain insurance nor pay the \$100 fee? That's the question.

**Hon. Mr. Handleman:** Presumably they're driving on the assumption they're not going to be caught. There will always be people committing violations of legislation.



**Mr. Reed:** I'd like to know how you do that.

**Hon. Mr. Handleman:** You do it by not being caught. That's the only explanation I can give you. There are people who are committing crimes under the Criminal Code who aren't caught.

**Mr. Reed:** But when I am required to renew my licence I am also required to produce a certificate—

**Hon. Mr. Handleman:** That's right and—

**Mr. Reed:** —certifying that my vehicle is insured and/or of course, the alternative option.

**Hon. Mr. Handleman:** You can get the certificate from the insurance company, cancel your insurance, then you've got your licence. I don't want to give a blow by blow account of how to do it. You asked me the question, I have to give you the answer.

**Mr. Reed:** Okay. In other words, what you are indicating here is that you expect there are going to be an increasing number of people deliberately breaking the law as a result of the fee increase?

**Hon. Mr. Handleman:** I want you to know that we have asked the insurance companies—I asked them a year ago—to develop reporting mechanisms on cancellations so that we will know about these as quickly as possible.

In other words, we're not just letting it lie and allowing people to do that. We certainly want to know about it. Last year we discussed at some length our views on compulsory insurance. That's another technique we can use.

**Mr. Reed:** I wonder, Mr. Minister, if you would be good enough to comment once again on compulsory insurance, since I have the feeling that this uninsured motor vehicle fund has one rather serious long-term drawback, and that is upon the person who makes use of it.

In the long haul, when he is involved in an accident and found liable, a judgement can be made against him that will plague him for the rest of his life. It seems to me that this is a rather second-rate way of dealing with this problem and I would urge the minister to seriously consider the aspect of compulsory insurance.

**Hon. Mr. Handleman:** We stress, and our agents stress as much as possible, that the motor vehicle accident claims fund is not

insurance, never was intended to be insurance and does not provide protection to the person who has it. What it really amounts to, of course, is an additional fee for the privilege of driving on the road in lieu of carrying insurance. But it doesn't provide insurance.

We have obviously studied the question; my predecessor studied at great length the question of compulsory insurance. The statistics that we have available to us indicate that approximately 95 per cent of the drivers in Ontario are insured and that of the other five per cent, a great proportion contribute this additional licence fee into the fund. Ninety-seven per cent carry insurance.

We've examined other jurisdictions which have compulsory insurance and, for a variety of reasons, the number of uninsured drivers on their roads is about the equivalent of what we now have. So having compulsory insurance, in our view, would really not involve increasing the percentage of drivers now carrying insurance.

There are other problems involved and we discussed this at some length last night. If you force people to have insurance then you have to provide a mechanism whereby that insurance is available. In other words, you then have to say to the companies: "We have made it compulsory for these people to have insurance. You shall provide insurance." Of course, we are also then in the position of saying: "You must provide it at a price that people can pay." Otherwise, in fact, you're compelling people to do something that they can't afford to do. I'm pointing out some of the administrative problems that we anticipate in it.

Our view, of course—and I express the insurance industry's point of view on this too—is that compulsory insurance is completely acceptable to us in principle and we have no objections to it whatsoever. We do feel that the law enforcement agencies of the province have to work out a way to get the bad risks off the road. The bad drivers should be off the road.

The way the insurance companies now try to drive them off the road, of course, is by charging the very, very high premium—the prohibitive premium. This means that what you have is insurance for the rich, because if the man can afford it he can be the worst driver in the world and he can get insurance at a price, if he's willing to pay. If you're going to have compulsory insurance, obviously you can't have that situation. We have to deal with everybody equally under the law which means taking the bad driver,



whether he's rich or poor, off the road by saying: "You shall not drive."

I know. I've been around this place now for 4½ years and I've seen what happens when we take people off the road. I've constantly said that to any of my constituents who approached me on this matter. I suppose you have to learn how to say no to people. I say: "I'm sorry, I happen to agree. You should be taken off the road."

I do know that the Minister of Transportation and Communications (Mr. Snow) is inundated by members on behalf of their constituents who say: "This man's going to go on welfare. Please get him back on the road."

The law enforcement officers are, I think, doing the best they can, but there seems to be some feeling among many people that there is a right to drive in this province. We say it's a privilege.

I have said consistently ever since I came into this ministry that in principle I'm in favour of compulsory insurance, but not until we work out a way of getting the bad driver off the road. And for how long? That's the other question. How long do you take him off? Is he going to be a better driver if he's been off for one year? Or two years? Or five? Do you suspend him for life? That's the kind of thing that we see as being part of the difficulty in the way of bringing in a system of compulsory insurance. That doesn't mean it hasn't been done in other areas.

**Mr. Reed:** Mr. Minister, I certainly agree with your statement that driving is a privilege. I would say that it should be an earned privilege and it certainly is not a right.

I wonder, though, if somewhere between the points system we have, which I think works quite adequately to a certain extent, and the concept of compulsory insurance there can't be some narrowing of what appears to be a gap, a hollow, in between. You have expressed the problems in connection with compulsory insurance and yet I think we both agree on the basic principle of compulsory insurance, so I wonder if that area should not be tackled.

What I am afraid of is—and I don't have statistics to back this up—it would appear on the surface at least that what's happening is the uninsured motor vehicle fund would appear to become a harbour for the very worst risks, because obviously you have got a driver whose incompetence raises his insurance rate to an untenable amount and then, in lieu of that, because he still wants to drive on the road, he is given this right by

the payment of a fee and he takes the risk. I just feel that's a second-rate way of solving this problem.

**Hon. Mr. Handleman:** Yes, I suppose it boils down to weighing on the one side the merits of compulsory insurance and on the other side the disadvantages. The benefit that we perceive is switching from about 97 per cent to about 97.5 per cent of the drivers being insured, because there will always be people who avoid both. As you pointed out, many of these people are resisting the payment of the \$60 fee. Undoubtedly when it increases to \$100 in December, the degree of resistance is going to increase.

**Mr. Reed:** But that's a criminal act, isn't it?

**Hon. Mr. Handleman:** Yes, driving without a valid driver's permit and without paying into—whether it's criminal or not, Mr. Gilchrist explain—what are the penalties?

**Mr. Gilchrist:** A \$50 fine up to maximum of \$500.

**Mr. Reed:** It is not considered a criminal offence. There is obviously some room there for changing and tightening.

**Hon. Mr. Handleman:** The only drawback is the information we have from other jurisdictions that the number of uninsured drivers on the road remains at about a constant three to five per cent. These are people from other provinces or other jurisdictions and people driving illegally. We have always maintained that even if we had compulsory insurance, the fund would have to continue to exist and be funded in some way. It's funded now, of course, by the people who do not take insurance and who pay this licence fee for the privilege of driving.

**Mr. Reed:** What I am trying to suggest, and I am sure you understand what I am getting at, is that by the continuation of this fund what you are doing is perpetuating this incompetence on the road, which must statistically be responsible for a very costly part of our insurance rates, a costly part of the accident record, the personal injuries, the deaths and so on.

**Hon. Mr. Handleman:** Yes, but the answer is to get those drivers off the road, because you are still going to have to have the fund.

**Mr. Reed:** Okay, I agree with you.

**Mr. Moffatt:** I think that you are talking about an impossible situation, because even if you get the drivers off the road, you will



get the joyriders and so on and you are still going to be faced with it.

I think that probably you are wise to change it to \$100. It would probably be wiser to change it to \$200, because the people who are not going to take out insurance and are not going to pay the \$100 fee are going to avoid it. After all, if you keep going, pretty soon you will have it up to the regular insurance fee and then you will be able to run in it a compulsory, state-run car insurance programme and you won't have any problem with people objecting to it, so I think you are proceeding in the right direction.

I just don't know what you do with all those problems. You mentioned that 97 per cent of the drivers are covered now. Last year there was a tremendous amount of debate about the fact that there was no real way of finding these people and a reporting system didn't exist, so you obviously have some kind of reporting system in place now which is working, or are you just guessing about that 97 per cent?

[2:45]

**Hon. Mr. Handleman:** No, this is based on a statistics-gathering mechanism which I suppose is co-ordinated by the Treasury. These are the figures that come from Transportation and Communications, checks on the road, and a variety of other sources and they are compiled into statistics. We compare these with other jurisdictions and they all gather them in much the same way. For example, New York State has 89 per cent of its drivers insured and they have compulsory insurance.

**Mr. Moffatt:** Yes, but the insurance companies were working with you to devise a reporting mechanism. Did that ever materialize?

**Hon. Mr. Handleman:** No, no. The insurance companies can only report those who are insured, obviously, and that we would have from them. It would be Transportation and Communications, primarily, that would have the information, and the police record. You have a large enough sample and you get the information out of that. Maybe Mr. Thompson or Mr. Gilchrist could explain in more detail exactly how they get these figures.

**Mr. Moffatt:** May I just say—maybe it will tie in with what they're going to report—it's been reported to me that one of the functions of police officers in all parts of the province, from time to time, is to park their car at the edge of a road and

turn on their radio and read back to the station the licence numbers of all of the cars proceeding past them. I gather when that happens, there is some kind of computerized function which takes over and cars are checked for insurance, for stolen vehicles, accidents and various other things.

Just how do you link into this whole business? I've never really understood where that big computer is and who gets the benefit from it and just how that ties in with this particular scheme. There have been a number of articles written in magazines and newspapers over the last year or so about that sort of snooping business. I'm not being critical of it as a process; I just wonder where the public sees what happens with that system. Who gets the information, who divulges it, what use is made of it?

Quite frankly, I'm concerned about the way in which data is collected on people in every walk of life—and this example is a particularly innocuous one because you never know when your licence number, or somebody's licence number, has been fed into the computer and just what use is made of it. Maybe the minister, or the people concerned, can comment. I don't know even if it's in your bailiwick.

**Hon. Mr. Handleman:** No, certainly the computer isn't ours but there are data collecting processes going on all the time, I suppose, in government. You're quite right, it is a little terrifying sometime to think of the amount of information that sits somewhere, subject to retrieval. In this particular case I really can't help you unless Mr. Gilchrist can tell you what is happening to that information.

**Mr. Gilchrist:** We get our count from Transportation because, as this gentleman said over here, when you go in to register your vehicle for your licence, you produce a certificate of insurance. One of the things I might say in passing is that there is no means of verification; some of the people can indicate they're carrying insurance and yet they haven't got insurance.

But specifically answering your question, sir, if you indicate you're not insured and you wish to pay the fee, then a certificate is issued. That's the count that we're producing here.

One thing you've got to remember is that while we talk about the number of uninsured people on the road, and the minister mentioned New York—New York has had compulsory insurance for many, many years and



yet they probably have 10 to 15 per cent of the people uninsured. There is a fund there, operated by the insurance industry, and it's the very same thing as ours. We talked to New York just a short time ago on behalf of one of the provinces that is interested, and there is no way in the issuance of New York State's eight million licences a year, and probably three or four million transfers—and in Ontario four million licences and 2.5 million transfers—that these people who are issuing the licences, especially at the busy time of the year, which is December, January, February and March, the rush period, can verify the applicants' insurance with the insurance companies.

As the minister has said, we figure about 97 per cent of the drivers in Ontario are insured and the fund bridges the gap. The one thing that I would like to emphasize is we mustn't forget that the whole concept of the fund was to compensate the innocent victim. If it wasn't for the fund around \$115 million that is being paid out to those innocent victims wouldn't have been available.

**Mr. Moffatt:** The \$2,970,600 shown in the estimates as administrative costs; I would gather that that looks after staff—all of the things that we would normally think of, plus interest on the money which is paid out and then recovered from the person who was at fault in the accident.

**Mr. Gilchrist:** May I explain, sir?

Administrative cost means the cost of the staff, and both allocated and non-allocated expenses. There is the staff, there is the operation of the organization of the motor vehicle accident claims fund, and in addition there is the expense of adjusting the claims. There are the legal fees, there are the professional fees of adjusters, appraisers, doctors, accountants, there are medical expenses, there is the cost of examinations for discovery and the cost of the trial. These are the expenses that are incurred in that regard.

**Mr. Moffatt:** So all of the money paid out and then recovered, that section of the fund—

**Mr. Gilchrist:** Is in the revenue.

**Mr. Moffatt:** It is completely self-supporting in that—

**Mr. Gilchrist:** The fund is self-supporting and in a strong financial position, sir.

**Mr. B. Newman:** Mr. Chairman, I wanted to bring to the attention of the minister and the officials this article that appeared in a local paper, my own paper, and the prob-

lems that the individual is confronted with, even though he does have insurance:

Every year, or every six months, as the case may be, you plunk out your hard-earned cash for car insurance. You feel that you are well protected, safe and have nothing to worry about, right? Wrong. Listen to my tale of woe.

Early last month I went to Toronto for a convention. In Toronto I pulled up to our hotel, got the luggage out of the trunk, turned the keys of the car over to the doorman, went into the hotel, registered and went to the convention and had a wonderful time.

Came time to leave, I checked out, went to the parking garage, turned in my stub and asked for my car. After a half hour the garage attendants admitted they couldn't find my car, would I drive around the garage and look for it? No problem but no car.

After another half hour a request to "Please come with me." I end up in the hotel security office. Yes, indeed, my car was stolen. After making out a report for the security police, Metro police had to be called. Another hour's wait and then another report. Okay, but how do I get home? "Rent a car," says the garage attendant. "The garage will pay for it."

Okay, you start renting a car but the garage doesn't assume payment. I had to pay and then claim my money back. But we had to get back to Windsor, so we rent the car. Dropping the rented car off in Windsor meant that we had to pay a drop-off charge. Total bill for car rental, gas, mileage and drop-off charge, \$139.11. We'd used the car less than 48 hours.

In the meantime the police—that is the Windsor police—visit your home to let you know that your car has been recovered in London and the person charged with the theft of your car and fraud for using a stolen credit card [not that person's whose car it was]. But you call your insurance agent and you tell him the long tale. After doing some checking, he tells you that because the car had been recovered, your insurance will not pay for the rented car for you to drive. But you explain the car is in London. Please bring it home.

Oh, no, the London police have impounded your car at the request of the Toronto police. However, the car is in "good" shape. Two days later your agent tells you that your car has been released but you have to go to London to pick it



up. The registered owner is the only one who can get the car.

Incidentally, there is also a towing charge of \$50 plus a repair bill and storage that you must pay before the garage in London will release your car. You make special arrangements.

After work you drive back to London to get your car. You pay the bill that has grown to over \$70. You check your car. The thief left pants, shirt, 27 record albums, over 30 single records, a camera and a can of oil in the trunk of your car. You notify the London police. An hour's wait and a London officer picks up the junk.

You start for home. You find no brakes. The car is out of alignment, but what the heck, you're on the 401 and heading for Windsor. Back home you leave the car for your mechanic to check. He reports that in addition to no brake, you have driven home with a broken ball joint. Luckily, you didn't hit a pothole or you could have lost a wheel, maybe have flipped the car. You sure were lucky.

Regardless, the car gets fixed. Bill: \$110. Again, you pay. You return the car you rented in Windsor, a cheaper one. You pay this bill, almost \$100. Your total expenses to date are: Rent-a-car in Toronto, \$139.11; rent-a-car in Windsor, \$100; pay London car bill, \$70; pay repairs in Windsor, \$110. A total of \$419.11.

You check again with your agent. Today, he has run up over \$30 in telephone bills. Gee, that's sure tough. My bills have come to over \$400. But then, we get the car washed and, lo and behold, the car has a real dent in it. Your agent says to get two estimates and bring them in. Again, we are running around. One estimate, \$205; the second, \$131. But the door doesn't affect the driving, so you tell the insurance you have decided you'll pay the bill.

So we're waiting and hoping. We want our \$400 back. We want the door fixed; but when. So every year you plunk out hard-earned cash for your car insurance; you feel well-protected, safe; nothing to worry about. I still say, wrong.

Why would an individual have to go through that? This person took enough time to write to the editor and brought this to his attention, but I would assume that this must happen more than just the one time, as is mentioned in the statement.

Hon. Mr. Handleman: Mr. Newman, I think, first of all, we're well past the vote

that you're discussing—and it's unfortunate you weren't here during the time we were discussing that vote, because that's when it should have been brought up. But all I can say about that letter to the editor is was it ever written to the superintendent of insurance?

Mr. B. Newman: Can I give them a copy?

Hon. Mr. Handleman: I think you're making a complaint here when the man didn't pursue the courses that are open to him. If he has a complaint about insurance, we like to deal with them. Now, if he wants to make fun of a situation that I don't think is very funny myself, that's fine, and he can have a few laughs. But he hasn't made any constructive move whatsoever to have his problem resolved. I would criticize that person here publicly for not taking the course of action open to him, which is to write to the superintendent of insurance, let us know what his problem is, and see if we can help him.

Mr. B. Newman: Do you really think that's funny, Mr. Minister?

Hon. Mr. Handleman: No, I think he's trying to make fun of it.

Mr. B. Newman: I don't think he's trying to do that. He's trying to point out how ludicrous it is when you do have insurance and you don't get protection for the insurance you've paid for.

Hon. Mr. Handleman: In my view, it's not ludicrous, and I think that that's the kind of thing—he doesn't even say that he has tried his insurance company. He says, "When am I going to get paid?"

We have a consumer protection bureau in Windsor that he can go to. He should walk in there and say, "I have insurance. I have all these bills. My insurance company is not serving me properly." We would try to look after it. I'm not promising the man payment, because we sometimes find that there are a few things unsaid in a claim of this nature. But, certainly, I feel that there is recourse for these people, and I would hope that they would use it either through their members or directly. I wouldn't object if he asked you to intercede for him.

Mr. B. Newman: I'm sorry I brought it up, Mr. Minister. Apparently it's of no consequence to you at all when an individual gets stung by an insurance company; that's quite all right. He should have done this, and he should have done that. At no time have



I ever seen any publication from your ministry, and before you, telling an individual that if he has a complaint about an insurance company, that he could come along and contact your people.

**Hon. Mr. Handleman:** All I can say is that we do try and we do try to inform people. That's what our consumer protection offices are for—for them to go in and ask. I think that we can help these people, but only if they ask for help. There's no way that we can know about things that aren't brought to our attention. Letters to the editor are fine, and we try to read them, but we don't get all the papers in the province.

**Mr. Chairman:** Anybody else on item 4, motor vehicle accidents claim fund?

**Ms. Bryden:** Yes, Mr. Chairman, I just wanted to ask the minister what was the normal processing time for claims under this fund. I'm sorry I haven't been here before. I spent an hour trying to get through to the companies division.

**Hon. Mr. Handleman:** No, you're on the right vote, Ms. Bryden. Perhaps Mr. Gilchrist would give you some idea. I think it's very difficult to state averages with any degree of certainty, because there are simple claims and there are complex claims.

**Ms. Bryden:** I would like to just cite one claim that came to my attention. An uninsured person, presumably, was hit by a hit-and-run driver on Jan. 10, and the damage that he was entitled to was \$750. He didn't have money to repair his car until he got this money. While he was waiting, his car suffered further damage from rain getting through the hole in the fender and ruining the wiring, so that the delay really cost him money. He finally got his cheque on May 7, from Jan. 10.

[3:00]

He made numerous phone calls to try to find out what was happening, when it was coming. He had great difficulty getting anybody telling him what the state of the case was, or when he would get his money. I finally found out that it cleared your ministry on April 22 and it took Treasury until May 7 to pay it, but your ministry had it from Jan. 10 to April 22. Is that normal?

**Hon. Mr. Handleman:** A little bit over four months, I would say, is exceptionally fast compared to the private insurance industry. I think we are doing quite well. Maybe we

can give them lessons on fast settlement of claims.

**Mr. Gilchrist:** One of the problems we have is that assuming the accident occurs today, and it is reported to the fund, that's fine. Then there is the processing, and obtaining information through Transportation, and the computer checks that we require to handle it in accordance with the Act. If we can get that reasonably fast we can process within a reasonable time, assuming that we have to allow the 30-day period to lapse in accordance with the statute, by going on record with the uninsured motorist; if he doesn't object within that time, then well and good.

Of course, there are a lot of factors and I think I happen to know the case you speak of, but one of the tragedies was that, as we have indicated, and was indicated in the media, the mail strike, which went from I think the middle of October until about Dec. 2, slowed us down terrifically. We had thousands literally thousands, of letters that we had prepared but were not able to mail because of the postal strike. As soon as the postal strike was settled, these letters were mailed out, so that if an accident occurred, say, in October and we weren't able to mail a letter out until Dec. 2, there's an unusual time lapse. Then, because of the statute, we had to allow a further 30-day period to elapse.

Unfortunately, after the postal strike this deluge of work came in and we were inundated with claims—and we run about 1,000 claims a month and we run 1,000 to 1,500 pieces of mail a day. This is the problem.

As Mr. Lee, the senior claims supervisor, says, if we can get it in time, we can handle it within about six weeks if there is no breakdown on computer check-ups and things like that. It does take 10 days to go through the Treasury, but I think the Treasury are doing a good job considering the fact that they issue 300,000 or 400,000 cheques a month, including welfare and everything else.

**Hon. Mr. Handleman:** I think you have to realize too, Ms. Bryden, that the driver, the one who has paid this nominal fee into the fund, has the right to deny liability. He has no less right than any other driver on the road to say, "It wasn't my fault," because obviously he is required to repay the full amount to the fund. If he can prove that he didn't have liability, then I don't see any reason why the fund should pay out on his behalf, so sometimes disputed claims go on



for quite some time, as can any other claim dispute, in the courts.

**Ms. Bryden:** On the delay caused by the mail strike, it seems to me that the government should, like other firms, have made special arrangements to overcome this sort of backlog by hiring extra staff or doing overtime or something over that period. It seems unfair that the people whose accidents happened after the mail strike should suffer because of the influx of cases as a result of the mail strike.

**Mr. Gilchrist:** I think unfortunately we all suffered because of the mail strike. It is one of those things. But it would be an impossible situation and completely uneconomical for us to make personal service on all these letters to the individuals. That's one of the tragedies.

We did try to help, and we do try to help, and we process these claims as quickly as we can, but there are the problems that the minister has mentioned such as dispute and things of that type. Then again, if the accident occurred today and the man waits for his car to be repaired by the insurance company and he has paid a \$250 deductible and we don't get it two or three months hence, then he's taking it from the date of the accident, not the date we are getting the application. Then we send the registered letters out and a further 30-day period is gone. We do try to give service but there have been unusual problems in the last while.

**Ms. Bryden:** Thank you, Mr. Minister.

**Mr. Chairman:** Anything further on item 4? Carried.

Vote 1302, item 5, companies.

**Ms. Bryden:** Mr. Chairman, on item 5, I have recently run into a case of a company trying to become incorporated and submitting three names and they were informed that the regulations and the procedures have been changed recently which seems to have slowed things down rather than speeded them up.

This company applied with a letter on April 21 and the first name was rejected on May 11. Apparently the other names couldn't be investigated. In the meantime, it's a rather urgent case, probably typical though of most companies applying for incorporation because until they get it they cannot issue any invoices.

They're in business. They're employing 16 people. It's an attempt of a small Canadian business to get going, but until they get their

incorporation they're completely stymied and have to draw on their own personal savings and so forth to pay their payroll. They haven't been able to get any speeding up of this application for a name.

As a matter of fact, today, before I came into the committee, I tried phoning the company's branch. It took me about 15 minutes each time to get through. They would answer the phone and then have you hold. It seems that they're getting about twice as many applications for names as they were a year or two ago and the staff has been cut.

I can't understand it. If we're trying to service industry, particularly new incorporations, how can we give them that kind of service? This company is really desperate to get its incorporation and it is losing money every day.

**Hon. Mr. Handleman:** I'm going to say that the staff is doing a tremendous job in view of the number of incorporations that take place each year. The number of complaints that cross my desk about delays and any faults in the procedures are so few as to be almost negligible.

I quite frankly admit that this branch, along with all the other branches of our ministry, has been subject to staff restraints and complement cuts. We've been hoping to devise ways and means of doing it without affecting the service to the public, but I'm sure there are bound to be cases when there will be some delay, hopefully not inordinate and not overly costly. What we would hope is that people get the message that in this kind of administrative process there may be some delays and that they should start earlier.

It's the usual thing. People seem to leave everything until the last minute and then hope the government will operate twice as fast as they did in order to achieve what they want immediately. I think the planning of this company probably took place over a period of several months. Then, when they're ready to go, the blame falls on government because they can't go immediately.

Perhaps Mr. Howard or some of the staff can tell you about some of the problems they have and maybe deal with that specific type of delay which I know is not uncommon. But it does not usually lead to a complaint of this nature.

**Mr. Howard:** I am a little surprised at this complaint. If there is real urgency and speed was required for incorporation they could have obtained a number immediately and proceed with their incorporation. Then, at leisure, they could have selected the name,



had it approved and amended their articles. There is really no problem.

**Ms. Bryden:** They have a lawyer. Presumably he knows that.

**Hon. Mr. Handleman:** I don't suppose we can intersperse ourselves as the legal adviser to your constituent but I see quite a number of numbered companies going through. Sometimes I get a little concerned about it because I would like to know who they are, but that is the fastest way of incorporation. Then they can change their charter later to a name that clears all the usual checks. Mr. Lawlor would be glad to give advice.

**Ms. Bryden:** It seems that we're cutting back government departments where services are affecting people out there. We're not cutting back things like the Premier's office which is down from 62 to 61 I think. We're adding ministers without portfolio staffs and so on. It seems that the priorities are wrong as to where you make staff cuts. If the public needs that service to operate in this province and to create jobs, then that service should be there and it should be speedy.

I wonder if the minister could explain to me what change in the procedure appears to have happened in the handling of applications for approval of names.

**Hon. Mr. Handleman:** I'm really not aware of any change in procedure. Mr. Howard may be able to explain what he is doing.

**Mr. Howard:** We had announced a new procedure, a modification of existing procedures in the name acquisition process. This was published in the Ontario Report, Friday, April 23, to take effect May 1. The gist of that procedure is that we will send out to the applicant the name search report stamped "Approved," and we now require that that report, with the approved name, accompany the articles, so that we don't have to spend time, as we did in the past, retrieving a name search report from files and marrying it up with the articles when they came in.

It's just a change in procedure to save a few minutes. Every minute is important today when we're short of staff and there is such an increase in volume of filings and name searches to be made.

**Ms. Bryden:** I gather that if you ask for a name with the word Canadian starting it, your chances of getting approval quickly are away down the pipe. Is there any way of beefing up that particular branch? This is involved in this particular case. Their second

choice started with Canadian, so it took them 20 days from the first choice and it's probably going to take a lot longer on the second.

**Mr. Howard:** Without knowing the particular matter, I wouldn't like to comment on particular names at this point.

**Ms. Bryden:** But is it true that it always takes a lot longer if you have the word Canadian?

**Mr. Howard:** I don't know why it would. Obviously there are more companies in existence with the name Canadian and the staff would have to go through the indices.

**Ms. Bryden:** Perhaps you'd have a bigger staff on that.

**Hon. Mr. Handleman:** I just can't resist the temptation here to say how moderate you've become, because now you're equating corporations with people, and I think that's a very welcome move.

**Ms. Bryden:** We want to promote small business, of course. We've always supported them.

**Mr. Chairman:** What is the procedure with respect to investigating a name? I take it a name like 2323 Bathurst St. can be processed rather rapidly. I'd like to know how rapidly.

**Mr. Howard:** That's not the numbered corporation of which I'm speaking.

**Mr. Chairman:** No, no, I appreciate what you're saying. I'm saying, with a number like that, which is unique and which is not repeatable and you're not likely to find another corporation with a like or an identical name, what is the time, usually, from the first application to where you approve?

**Mr. Howard:** About six days.

**Mr. Chairman:** Six days. Do you keep files with respect to all corporations' names in Canada, federal or otherwise?

**Mr. Howard:** Only the Ontario ones now. This was changed a few years ago.

**Mr. Chairman:** What is the total number of corporations in Ontario at the present time?

**Mr. Howard:** Roughly 165,000.

**Mr. Chairman:** That's of all types?

**Mr. Howard:** Yes.

**Mr. Chairman:** I notice that corporations, including co-operatives, jumped by about



2,000 from 1974-1975 to 1975-1976. That's quite a monumental jump. Over against that, what is the staff cut? What is the deficiency in staff?

**Mr. Howard:** One this year.

**Mr. Chairman:** My comment on it is that this is one of the areas in government, perhaps one of the few, in which you actually have an income. A fairly substantial income comes in to the coffers of the government through the companies branch in terms of incorporation and its various phases.

On the basis of straight servicing over against cost situation, surely strong representations can be made to Management Board on the score of retaining at least that element? Besides, you are dealing with the bigwigs and the mucks and what not in the corporate sector. Hell, your primary disposition is to serve, and please and what not, that particular segment in the economy. You think you would render yeoman service in this regard, rather than produce the kind of complaint I just heard.

[3:15]

**Hon. Mr. Handleman:** I think we do render yeoman service.

I just want to speak on the question of the fees. We've recognized in the ministry, of course, over the years, that the fee structure for the most part covers the costs of servicing this particular branch and others within the ministry. We're almost completely a self-financing ministry. However, the structure of Management Board is such that you have to justify your expenditures and the Treasurer takes all your income which goes into the consolidated revenue fund. Notwithstanding any income you may have, none of it is dedicated.

In other words, the fees from incorporation searches do not go to cover the cost of incorporation searches, they go into the general revenue and each ministry, I think, quite properly, for the sake of controlling expenditures, is required to justify its expenditures. We've had to justify ours, the same as all other ministries. The fact that we earn income has really not given us any readier access to the funds available for staff.

**Mr. Chairman:** Nevertheless, Mr. Minister, in the light of what Mr. Howard says, in all honesty, with respect to the running of his own department, there obviously is need of added staff there to carry out the role. Are you making stronger presentations in this regard to increase the staff there to render good service?

**Hon. Mr. Handleman:** We have a number of activities in the ministry that are in the same position. I think both the deputy minister and I have made strong representation to Management Board and we have, I think, managed to maintain our level of service for the most part. There have been areas where it has broken down.

We get into the property rights division later on. I think there are areas there where, probably, the need is greater than it is in some other branches. I say that with great bravery, in the face of all these branch directors in the room, because there are some areas which, I think, are in greater need than others. It makes it very difficult to favour one over the other.

**Mr. Chairman:** Are you arguing that you have not sufficient clout with the Management Board?

**Hon. Mr. Handleman:** Oh, I think I have as much clout as anybody else, which isn't very much.

**Mr. Chairman:** But what are certificates of status, and why are they issued?

**Mr. Ozolins:** Certificates of status are usually issued to corporations upon their request. It's a piece of paper which indicates that a corporation, XYZ Ltd., was incorporated on such and such a date in Ontario and that it is a valid and existing legal entity.

**Mr. Chairman:** What's the fee?

**Mr. Ozolins:** The fee is \$10.

**Mr. Chairman:** You have a partnership and proprietorship registration; there is a similar type of registration at registry offices with respect to partnerships, why do you maintain that?

**Mr. Ozolins:** No, sir, as of Jan. 1, a central partnerships registry was established and the registration procedure is no longer carried out in the registry offices. We have one central registry for all of Ontario.

**Mr. Chairman:** Is that computerized?

**Mr. Ozolins:** No, sir.

**Mr. Chairman:** So anybody searching a partnership, from some remote part of Ontario, simply has to write in to you. Is that it?

**Mr. Ozolins:** Yes, s'r.

**Mr. Chairman:** What is the fee?

**Mr. Ozolins:** Two dollars.



**Mr. Chairman:** That's a very large turnover now in that area too. Are you short of staff there?

**Mr. Ozolins:** No, sir.

**Mr. Chairman:** Thirty to thirty-four thousand dollars in a single year. That's all my questions. Anybody else?

**Mr. Warner:** I take it, Mr. Minister, that you have the power to control, or however you term it, the incorporation upon the corporate body which applies. Do you also, then, have the power to remove that incorporation?

**Hon. Handleman:** First of all, incorporation is not discretionary on my part. It's provided for in statute and, therefore, it's a right which is conferred on people by statute. The cancellation of an incorporation would only be done under statute so whatever the reason for the cancellation of an incorporation, it would normally be given to me by the branch or it would be done in the branch itself.

**Mr. Warner:** What conceivable reasons could there be for cancellation of incorporation?

**Hon. Mr. Handleman:** There could be a broad range of reasons. Mr. Howard, perhaps you could list a few.

**Mr. Howard:** One would be failure to file an annual return; the procedure for that, of course, is spelled out in the Business Corporations Act, and with respect to the non-share corporations, under the old Corporations Act. Then there are other situations where the minister may cancel for cause, under the Business Corporations Act; in order to do that he assigns to me his powers and I hold a hearing to determine whether there is cause, in fact, to cancel the charter and make an order of dissolution.

**Mr. Warner:** Do I take it that this type of procedure is duplicated in other provinces in our country?

**Hon. Mr. Handleman:** I'm not familiar with the procedures in other provinces.

**Mr. J. K. Young:** Very broadly speaking, yes.

**Mr. Warner:** What I'm getting at is this: If it were to take place with respect to a company in another province, would you necessarily receive information about it to be cross-checked against your registry of

those corporations that are incorporated in the Province of Ontario?

**Mr. J. K. Young:** If this corporation were incorporated in another province, then they would record that information in their gazette; we would see it there, because we get copies of the gazettes. But if it were incorporated in Ontario, there's no way they could dissolve an Ontario corporation; it would have to be done under our law, and of course we would be aware of it immediately.

**Mr. Warner:** I see. I was initially concerned when the question was asked about how you keep track of your records here and I heard that you don't have cross-references with incorporated entities beyond the Province of Ontario. In the case of companies or corporations that aren't operating the way they should in other provinces, and which happen to have a location in Ontario, I was concerned about the kind of checking or double-checking that goes on.

**Mr. J. K. Young:** If they're incorporated in another province, they have to have an extra-provincial licence to operate in Ontario, for which they must apply; and that's granted as a matter of discretion, not as a matter of right.

**Mr. Warner:** I see. That's all.

**Mr. Chairman:** How does the ministry feel about the Law Reform Commission report with respect to the elimination of mortmain?

**Hon. Mr. Handleman:** We support it in principle. It's very new; as a matter of fact, I got up pretty early this morning in order to get started today, and I glanced over the report I have received. I will be sending it on to the Attorney General (Mr. McMurtry); it contains some of our comments on it. We do have some comments to make on the report, but before indicating what our comments are in public, I think we should at least have the courtesy of having them in the hands of the Attorney General, so he doesn't read about it tomorrow.

**Mr. Chairman:** Oh why not? You're in committee; why not let it be a first?

**Hon. Mr. Handleman:** As I say, we generally support it; but, as I recall, there are some statements about the use of mortmain for specific purposes, and we've just pointed out to the Attorney General that perhaps some of the recommendations require further thought. But we do support it in principle.

**Mr. Chairman:** I have only one further thought on corporations. I could spend a lot



of time discussing them, because they are the central or orienting principle of our whole civilization. We could speak of the Corporations Act, how they're changing internally and that whole thing. In past estimates, we have spent a little time on what I suppose you'd call the philosophy of corporations.

The only thing that I want to mention today is the business of penetrating the corporate veil, which is being done increasingly in terms of criminal law; that is, reaching through the "limited" veil, or the protection thrown up by that artificial fortress, in order to reach the directors of corporations. Of recent years, in civil law and in your own ministry, you have been given increased powers precisely to do that, to go behind the corporate entity as such.

Do you see any area in which this would be worthwhile or useful to you in your corporate work? That it would be valuable to get behind a corporation?

**Mr. J. K. Young:** Are you talking about limited liabilities?

**Mr. Chairman:** Yes, about the limited-liability feature.

**Hon. Mr. Handleman:** I'll ask Mr. Howard to comment, because as you know Mr. Chairman, the degree of responsibility resting beyond the old traditional limited liability has been vastly increased so the directors are now made to bear a high degree of responsibility for the actions of the corporate entity. The point you bring up is one that we're taking a look at in view of the possibility of a revival of the longest-standing select committee in the history of the House. It's one of the things that, if that committee is reconstituted, might very well be looked at in greater depth. Mr. Howard can comment, I suppose, specifically on the question the Chairman asked.

**Mr. Howard:** Basically, Mr. Chairman, our legislation is purely enabling and any rights that are written into the Act are the rights of shareholders to take application in the court. We have no investigative powers under this legislation.

**Hon. Mr. Handleman:** Of course, we do have an investigation branch in our business practices division. It is quite active in the area of what might be called white-collar crime, fraudulent actions under the guise of the corporate structure. Also, the new federal bankruptcy legislation which we are discussing with the federal authorities contains a lot of bars to the kinds of activities which normally took place under the cloak of the

corporate structure. I think we're coming to grips with it, but I do think it's the kind of thing that might require an in-depth study outside our ministry and perhaps by some other body.

**Mr. Chairman:** The select committee of which you speak will be studying insurance corporations, I think, rather than corporate veils, or rending them.

Is there any further discussion with respect to item 5? Carried. Item 6 is business practices. Mr. Moffatt.

**Mr. Moffatt:** Mr. Chairman, I have a rather lengthy list of things that I would like to deal with. I think it might be of assistance to myself and other members of the committee if the minister has any opening remarks to make about the great degree of efficiency available within this branch and the way it's solving all the problems of the world. Mine are wide-ranging and some of them the minister is going to rule out—hopefully none you'll rule out, sir—but maybe the minister would like to make a brief comment first. He said earlier in his opening remarks that he would deal with individual items. This is quite a significant one and I'm sure of interest to everyone.

**Hon. Mr. Handleman:** First of all I feel that this division, with its varied activities, is really indicative of the major thrust of our ministry, which is consumer protection. The acts which we administer, of course, cover a pretty broad range of activities which involve protection of consumers, ranging from the Bailiff's Act, the Business Practices Act and so on, down to our most recent piece of legislation, which is the Travel Industry Act.

Many of the activities are long-standing and we've recently had a complete reorganization of the division to enable it to carry out its functions more efficiently and more effectively. We think that is working.

We have Mr. Weinstein, Mr. Molyneux and Mr. Mitchell, who are the three directors who operate under the executive director of the branch, and Mr. Simpson who is the new executive director. We felt it wouldn't be fair to call him up here because he really hasn't been on the job more than a few days. Certainly, the gentlemen who are here with me, and the deputy and myself, have taken a very detailed part in the reorganization of this division. I hope that whatever questions you do ask we'll be able to answer in a way which will satisfy you that the division is working and working for the consumer.

[3:30]



**Mr. Moffatt:** Mr. Chairman, I think the opening comments in the yellow section of the book called "Activities" may be closer to what is really happening in this particular branch of the ministry. I quote:

The ministry works to promote a high level of ethical business conduct responsive to the needs of the marketplace. Its fundamental theme is one of full, true, plain and timely disclosure of all material facts. It has 83 offices including 65 land registry offices located throughout the province.

Nowhere in there does it say that it is attempting to protect the consumer. While that's what the minister repeatedly tells me, I'd like to ask him, briefly if I could, how many complaint files have been opened during the past year in this particular branch? If that's all in the statistics I'll take it as read.

**Hon. Mr. Handleman:** Yes. Written complaints, 1975, 8,058.

**Mr. Moffatt:** What page are you on; I'm sorry?

**Hon. Mr. Handleman:** It depends on which division you are talking about. If you're talking about the total business practices division, in terms of written complaints which have been closed, 8,000 and some.

We recovered \$1.3 million in redress for consumers under the various Acts. We can give you the number of people who are registered in various activities—real estate, motor vehicle dealers, investigators, consumer protection, itinerant sellers, etc.

Those are written complaints, and of course many complaints are dealt with by telephone. To the best of my knowledge, there are no statistical data compiled for verbal complaints.

**Mr. Moffatt:** How many of the complaints resulted in court actions?

**Hon. Mr. Handleman:** We had a question, I think, on the order paper which we answered. It depends on which court you're talking about. We have the commercial registration appeal tribunal before which a number of motor vehicle dealers, real estate and business brokers were charged. There is the Travel Industry Act. Prosecutions under the Consumer Protection Act were five; the Criminal Code four; the Motor Vehicle Dealers Act 31; Real Estate and Business Brokers Act five; and the Travel Industry Act none to date. That's a new Act. There were none in 1975.

**Mr. Moffatt:** I have two specific questions with regard to smoke detectors. Does that come under this particular item?

**Hon. Mr. Handleman:** Yes, it does.

**Mr. Moffatt:** On April 21 and April 22, you were written—both letters by Mr. Stokes—with regard to the advertising and sale of smoke detectors. I'll read the ad:

Smoke detector. Protect your family and home against fatal smoke inhalation. [I don't know how the home would inhale the smoke] Senses smoke; sounds a loud audible sound; no wiring necessary; self-mounted power pack; ideal for home, apartment, etc. It comes with a one-year warranty. Each \$64.80.

Can you tell me what action was taken with regard to that? The letter was written to Mr. Don Goudy.

**Hon. Mr. Handleman:** Yes. I can't tell you about that specific letter. I know we launched prosecutions with regard to smoke detectors and they were dismissed in the courts. Mr. Mitchell can give you some of the background.

**Mr. Mitchell:** We did lay one charge in Sudbury against a franchisee distributing both heat and smoke detectors. The charge was under the Business Practices Act and the Consumer Protection Act. He was convicted under the Consumer Protection Act for operating as an itinerant seller without registration. On the charge under the Business Practices Act—it mainly related to using scare tactics to induce persons to buy the detectors—we went under the particular section of using undue pressure. The court felt that since none of the complainants had actually entered into a contract and bought, that the pressure really hadn't been that great. Therefore, the charge was dismissed. We have fielded a number of other complaints and inquiries about smoke and heat detectors and, of course, we are looking at them at this time.

**Mr. Moffatt:** The whole business of consumer protection, I think, is going to become much wilder. I mentioned the other day one of the areas in which there is no consumer protection by definition—and by definition of the ministry, I suspect. I asked when I could properly raise this case, and I was told now, so now I am going to do it.

I have a collection of material from Mr. Richard Rekker of RR6, Bowmanville, Ont. I wanted to read it all, Mr. Chairman, but I will try and summarize it.



A couple of years ago, Mr. Rekker was hired on a contract basis by one of the Toronto newspapers to distribute newspapers to boxes and drop individual papers off on a route from Oshawa to Cobourg. He had to stock all of the boxes and he also had to leave drops of newspapers for carrier boys at key locations.

He took the precaution, as a very careful young man, of keeping every single sheet of paper and ticket that was ever given to him by the newspaper. He kept them all, and still has them all. He won't let anybody have them, and I don't blame him one bit.

He signed a contract in May of 1974, and kept accurate records. Sometime in July he got a letter from the particular newspaper saying that his account was in arrears in the amount of about \$1,400.

Well that was untrue, because he had kept track of the number of papers actually delivered, as opposed to the number which were supposed to be delivered. He had notified them every time they were short, and went through a whole procedure of taking every possible sensible business precaution that you could, because he was working for himself. He was, I guess in legal terms, a businessman of some sort. But, in fact, he was directly in the employ of this newspaper.

Anyway, the upshot was that after the account got really mixed up to the extent of about \$2,000, he demanded that he be given an audience with the people who run that particular paper. He went through the whole chain of command, from distributor to supervisor, until he got to talk to pretty high people. He was told that the thing would be straightened out and not to worry about it. It was even put in writing that the whole account would be cleared up, and that he had done the right thing.

A week later, on a Sunday evening when he was out, his mother received word by telephone that he was to have all of his locks removed from all of the posts of the newspaper boxes the next morning, and that he was no longer an employee of this particular company. The amount of money that he was short at this point was about \$600, because he had held back some of the payments. He went to see the executive vice-president of the company, and later received a letter from him in which it says:

Dear Mr. Rekker:

[So and so] passed to me your letter of Feb. 16. I have received and reviewed a lengthy report from our people and have come to the conclusion that no change

should be made in the termination notice that was given to you. If you still feel that there are any credits due you, by all means pursue these with—

Okay? What has happened is this man has nobody who can really handle this case for him. I sent him to the labour standards branch first, and they said: "No, we don't touch this, because you are a contract employee." We have gone all around the room with this and everybody keeps saying, "Well, it is not really within our terms of reference."

Now the funny thing is that this person is one of those people who really showed some initiative; who got out and got to work and so on. He didn't wait around for this to get solved or to sue the company, he just went and began another business of his own and is now very busy with that.

But on the matter of principle, he is not going to rest until this thing gets settled. That damn newspaper is wrong in this case. I'll turn the entire file over to the minister and I'd like somebody from some branch of some government to contact this man and say, "We'll do something." Everybody else contacted by him said, "We don't do anything." I just don't know where it goes.

Just before you respond, Mr. Minister, I know that what will happen is that it will be decided because it's a business, it's not part of consumer practices or business practices protection. But in fact this is exactly what this Act was supposed to do. I make no distinction in my mind between that person who is really attempting to run his own affairs and is involved in a commercial transaction, and the housewife who is simply trying to run the commercial transaction of keeping her home in order and her own budget. Perhaps you'd like to respond to this particular case.

**Hon. Mr. Handleman:** I certainly would, because, first of all, we have to abide by the law, and so does this gentleman and so do his employers have to abide by the law. The final arbiter of the law in this country is not the government, it's the courts. You're saying that these people are wrong. I'm not going to make that judgement decision as the minister, I have to find something in the law which we administer which fits the situation.

I don't want to make a final decision on it, but offhand I would say—and I would obviously rely on my staff to correct me—I can see nothing in our law which covers the man's situation. You're saying that the government has to be responsible for every inequity in



society. I just don't happen to agree with you. I think that over thousands of years a body of common law has grown up to protect individuals, and the final protection lies with the courts. Hopefully it will never lie with government, and this is where we may part philosophical grounds; I just don't believe that government should be the final protection agency of everybody. I think the courts should be. I would defer to the courts; and I think this man, if he feels he's been mistreated under the law of this country or the province, has ready access. What is involved—\$600? He's just about at the small claims level.

**Mr. Moffatt:** Well \$600 plus he was dismissed.

**Hon. Mr. Handleman:** Wrongful dismissal, I—

**Mr. Moffatt:** You can't be dismissed if you're a contract employee.

**Hon. Mr. Handleman:** Okay, I'm not the Minister of Labour. If they say there's no labour law that protects the man, again I would have to defer to the people in Labour. We're talking here about a consumer right which is provided for under consumer law, and offhand my initial reaction is there is no consumer law in this country or in this province or any other province that would cover this kind of situation. Mr. Weinstein is here and he's the man I rely on for legal information in consumer affairs. Perhaps you want to comment, Mr. Weinstein?

**Mr. Weinstein:** Let me make this comment, that our registrars are constantly mediating between businessmen unofficially. They'll mediate a dispute between motor vehicle dealers, between real estate brokers, who are, patently, businessmen.

The minister has stated the case well. Clearly, this man has to establish his right to the \$600 and whatever else, and we can't establish that for him. I suppose that if we were asked to attempt a mediation we could hardly say no, but we would be mediating between business people, not between a consumer and a supplier of goods or service. If the minister okays this endeavour then I say we will be happy to take a look at the file.

**Hon. Mr. Handleman:** I think we've had cases that are far more hazy than this one. For example, the farmer buying a tractor. We've had one classic case of the farmer and the tractor in which we simply had to say to the man: "We're sorry. We have tried to

mediate and we have been unsuccessful. We've done a lot, I think, over a period of quite some time, but we have no law under which we can intervene on your behalf. Therefore, we suggest to you that you go to the common intervenor of us all, the courts." The man, of course, is quite upset with us and that's the risk I think we have to take. Selling a tractor to a farmer, under our definition, is not a consumer transaction, it's a business transaction; a man buying equipment to carry out his way of making a living.

**Mr. Moffatt:** The opening comment in your booklet says, "The ministry works to promote a high level of ethical business conduct, responsive to the needs of the marketplace."

**Hon. Mr. Handleman:** Under the law, under the law.

[3:45]

**Mr. Moffatt:** I suspect before the Business Practices Act a great many cases similar to this but slightly different, between a consumer and a sales person or company, were given the same answer you have given me now that the best thing to do is to take them to court.

**Hon. Mr. Handleman:** No, only eventually after all attempts at mediation had failed. The mediation procedure is the way things were done long before the Business Practices Act was brought in, I think. Obviously, we had a number of regulatory Acts where actions could be taken. But in this kind of thing, where you're talking about behaviour in the marketplace, the only power we had was one of mediation. It's one I think we always tried to use. It wasn't always effective, but it was what was available.

**Mr. Moffatt:** I'll leave that case. I'll forward a copy of everything I've got on it and you can take a look at it. Believe me, if you can even advise him how to proceed, I would be most pleased.

**Mr. Young:** We'll try.

**Mr. Moffatt:** The next one: The minister received an open letter this morning—or perhaps he hasn't—from Robert Mackenzie, the member for Hamilton East. The only reason I raise it is because Mr. Mackenzie was here yesterday and last night and had to be away today. He asked me if I would raise it. Has the minister seen the letter by the way?

**Hon. Mr. Handleman:** No.



**Mr. Moffatt:** May I just read the description of the business practice and then perhaps we can see where we go with this kind of practice:

A number of small businessmen in Hamilton have brought to my attention a business practice that started about February, 1976. The parties involved are tailors, photographers and companies in the formal suit rental business.

The promotion works as follows: One of the formal wear companies, namely Classy Formal Rentals, contracts with photographers to steer customers to Classy, in return for a commission of 40 per cent. The bait offered by the photographer to the customer is a free suit rental for the day of the wedding.

Example: In a wedding party of seven, the best man and five ushers rent suits at, say, \$50 each, for a total of six times \$50, for a total of \$300. The photographer's 40 per cent commission is worth \$120. The photographer then pays for the groom's suit at \$50 and pockets the remaining \$70. The more photographers signed up, the more business to Classy.

Photographers who have resisted the promotion have received as many as three or four visits from the rental agency and have as well lost wedding picture business to competitors who are providing a free suit rental.

A number of small tailors have reported a drop of 50 per cent in the rental business. Some of the suit rental companies have also reported a drop in their income.

In response to a call from the NDP research staff at Queen's Park, Syd Silver of Toronto indicated he could lose as much as \$20,000 in a year.

**Hon. Mr. Handleman:** I'm certainly not in a position to give you an opinion on that on the basis of that kind of an outline. I'd certainly ask Mr. Molyneux if he's familiar with the practice. Mr. Molyneux is our consumer advisory director. Maybe he's aware of the practice. Maybe Mr. Mitchell has heard about it before.

**Mr. Molyneux:** No, I don't think it's come to our attention. The impact of the Business Practices Act would depend wholly on the kind of representations that were made to the consumers to enter into these kind of arrangements. If there was in effect deceit, and the lack of openness in the representation to the bridal pair or the person to whom the representation was being made, then it would seem there are grounds for

investigation under the Business Practices Act.

If, on the other hand, all the details are made open and clear to them at the time of the original approach then our avenues are rather limited. But we'll look into it and see what we can do. We'll be inhibited if there's a degree of honesty and openness in the representation; or if the people know what they're getting into then, obviously, our possibilities are rather limited.

**Mr. Moffatt:** It's kind of loss-leader business, isn't it?

**Mr. Molyneux:** Yes, and it may well have a number of implications for us. You've only got to look at it. It will be the representation, I suspect, that will determine the ease with which we can do something about it.

**Hon. Mr. Handleman:** I think the Business Practices Act is founded on the philosophy of full disclosure being made to the consumer without undue pressure, misrepresentation, or taking advantage of the consumer in any way. Where a man is offering what purports to be a cut-rate, which in fact is not a cut-rate, this could be considered to be a misrepresentation. But if the man is working on a high rate of commission, I don't think there is a great deal that we could do under the Business Practices Act. We'll have to take a look at it.

I don't know if there's a great deal we can do about the effect of the competition on other businesses. Our concern again is with the consumer dealing with the business that's selling the service or the product.

**Mr. Moffatt:** I think the conclusion I draw, from both of these, is not that your ministry is wrong, but that the legislation is lax in extending what you term business practices. The Business Practices Act is perhaps a misnomer. People who are in law, I am sure, understand exactly what it means. A person such as myself assumes that it means a lot more than really it does.

I'll conclude on those two cases with just the comment that, maybe, what you need to do is extend the actions, or bring in other legislation which will in fact clear up a lot of the kinds of deals that go on which work to the benefit of one particular person or one business at the expense of a great number of other small business people, who really haven't the financial wherewithal or background to fight the competitive battle, the legal battle, that will be necessary in



order to establish their legitimate cases. Maybe that is what is necessary.

**Hon. Mr. Handleman:** I am just not going to comment on that. My own view is that competition is the spice of the free market. When you say there are people who can't meet the competitive pressures, surely that is the kind of thing that is, eventually, to the benefit of the consumer.

**Mr. Moffatt:** Not necessarily.

**Hon. Mr. Handleman:** No, not if it creates a monopoly; but there is other legislation to take care of that kind of thing. As long as the disclosure is full to the consumer; he knows what he is getting, the produce or the service is not misrepresented, he is not subjected to undue pressure to engage in the transaction, and no advantage is taken of an inherent and obvious weakness on his part, such as an inability to understand the language, then we feel that the practice is not an unfair practice. This legislation, I can tell you, is pretty well the model for the legislation in both Alberta and British Columbia where they have similar Acts. The same kinds of limitations are placed on the government's intervention.

**Mr. Moffatt:** Have you received, since you mentioned Alberta and BC, any comparative statistics from those two jurisdictions as to the effectiveness or apparent effectiveness of their legislation?

**Hon. Mr. Handleman:** Yesterday morning I was talking to the minister from Alberta. Theirs is relatively new. They have only had the legislation for a few months. British Columbia has had about the same length of time as we have, and of course what we receive from British Columbia normally in the past have been press releases indicating the activities they have taken under the Act.

Of course, it is very difficult to compare a province like Ontario and a province like British Columbia. We think our Act has been very effective in that most of the cases we have had we have been able to clear up by mediation, for the most part; there were some prosecutions, and of course we are always subject to the interpretation of the law by the courts. When we have a charge dismissed, as we had in the case of the smoke detector, it just makes us, I think, a little bit more diligent the next time in gathering evidence. You can charge everybody, but if you don't have the evidence I think, quite rightly, the courts refuse to convict. So we will continue to be diligent in our pursuits on behalf of the consumer.

**Mr. Moffatt:** I just wonder if the minister has seen the April 28, 1976, press release from British Columbia.

**Hon. Mr. Handleman:** Oh, we see them almost all the time. I don't know about that specific one. We had a whole batch of them last week.

**Mr. Moffatt:** That makes rather interesting reading comparing statistics.

**Hon. Mr. Handleman:** Perhaps you should speak to the minister.

**Mr. Moffatt:** I must point out that is no longer an NDP government.

**Hon. Mr. Handleman:** I know. You should speak to the minister. He is using the same technique, the press release method. I think perhaps we do things a little more quietly here. We just go ahead and charge people. But we are quite aware of the British Columbia press releases. I can assure you I read them all the time.

In many cases what they are doing is issuing warnings. We do this by press release too, advising people not to do certain things. But when it comes down to the crunch, eventually it depends on the courts finding in our favour and against the person we are charging.

**Mr. Moffatt:** Would the minister care to comment on the question I asked him the other day in the House with regard to Time magazine, given the fact that Time magazine continued to sell subscriptions to the Canadian edition when the legislation was before the federal Parliament; which to my way of thinking is, at best, an unconscionable trade practice because it was obvious, at that time, that the company was going to have some difficulty in living up to the terms of that contract as set out. In their release on May 10, 1976, it is quite apparent that they have no intention of honouring the terms and conditions of that contract.

**Hon. Mr. Handleman:** The only comment I would make, and I had discussed it before your question, I have discussed it since with Mr. Molyneux, and my understanding is we are making some inquiries.

I have great difficulty in accepting that because a company acted in a certain way while a bill was before Parliament it necessarily means they are engaged in a misrepresentation to the public. The first time that bill was presented was many years ago after the O'Leary Royal Commission had reported to the Diefenbaker government, a bill was



brought in then. In all those years, I've still continued to have my Time Canada, and so has every other subscriber.

They could have stopped then. I think they anticipated they might be able to persuade the government of Canada to alter the bill in such a way that they could continue to operate. Obviously, there came a time when they had to give up on it. Reader's Digest was able to adapt its operations to fit within the bill. Time felt in its own judgement that they couldn't.

What I said, and I said this yesterday in Ottawa publicly, at the Better Business Bureau, is that in my view the letter from the publisher, which was published in last week's edition of Time at the request of the Consumers Association of Canada, is not completely accurate. I said we should be discussing this with Time, and the publisher Mr. Davidson, to point out to him while we recognize that Time Canada no longer publishes, and therefore the subscription list for Time Canada is obviously ineffective, we are not receiving, in Canada, Time, the Weekly News Magazine. Others are receiving the editorial content of that magazine, but what we receive as a magazine is a hybrid. It contains US editorial content and Canadian advertising.

[That is not Time, the Weekly News Magazine. Therefore the subscription established for Time, the Weekly News Magazine in Canada, which is \$30, cannot automatically apply to the hybrid which we are receiving. I would suggest that if they establish a very high subscription level for a new magazine, which is the one we are receiving, that perhaps the AIB might want to take a look at it because that would only be justified, in my view, by a cost increase pass-through.

[There is no evidence, to us at least, and presumably not the AIB at this time, that there has been anything like a cost increase in the range of 40 per cent. That is the amount by which they are increasing the subscription price. We are not ignoring it entirely, but I didn't want to accept the statement in your question that this was an illegal practice.

I am not going to set myself up as the judge of what is legal and illegal; there is another forum for that. We are aware of it. I don't want to start talking about Time in perjorative terms. I think they have made an effort to offer refunds to their customers, which under the Business Practices Act is what they are required to do. The question is whether or not they are misrepresenting the current edition we are receiving and,

under our Act, misrepresentation does not have to be deliberate.

I certainly would not accuse Time of deliberate misrepresentation in this case. I think there may be a lack of knowledge of our Act, and if we point out the provisions of it to them, and it does apply to them—and I don't know yet until I have a report from the director—then I would assume that being a law-abiding corporation they would listen to what we have said.

**Mr. Moffatt:** Have you pointed out the wording in terms of the Act to them?

**Hon. Mr. Handleman:** I just met with the director yesterday morning, or two days ago I guess it was. We discussed this and I suggested perhaps he take another look at this because the question of the hybrid nature of the new edition is my own view of it. That isn't necessarily the view of the division. So I have asked the Business Practices Division to take a look at it and they will report to me on it.

**Mr. Moffatt:** Mr. Chairman, also in this vote, I gather, are activities of credit reporting agents. I have two or three items about that.

**Mr. Chairman.** I would suggest, Mr. Moffatt, that you have had a certain range of questions. If you let somebody else in, then you are quite free to come back.

**Mr. Reed:** Mr. Chairman, I would like to deal for a few minutes if I may, Mr. Minister, with the Travel Industry Act. I am sure you anticipated that it would probably be one of the questions which might be raised today.

[4:00]

I should first ask you if you are in possession of this recent brief from the OTIC, the Ontario Travel Industry Conference, in which is laid out a legal opinion from a firm by the name of Weir and Foulds who take another point of view, if you like, as regards section 13 of the Act.

**Hon. Mr. Handleman:** Yes, we have received that. Is that what they call position paper 13?

**Mr. Reed:** No. This is called—the only description I have is A Brief re Section 13 of the Travel Industry Act. It gives a rough chronology of the events surrounding the Act and what has taken place; various opinions expressed by you and your parliamentary assistant and so on. It culminates in the decision by Weir and Foulds which appears to



shed some—certainly, its opposing point of view on this.

**Hon. Mr. Handleman:** What you have is a legal opinion which has been given by Weir and Foulds to their client, OTIC.

**Mr. Reed:** That is correct; I have.

**Mr. Chairman:** It's a pretty good opinion.

**Mr. Reed:** Just for the record, and I don't want to belabour it with the whole presentation, the whole brief, unless you'd like it.

**Hon. Mr. Handleman:** We've had it.

**Mr. Reed:** This is a statement attributed to the minister on Jan. 17, 1976:

The intention of the Act is that the licensed agent is considered to be "standing in the shoes of a consumer" if the agent has reimbursed the consumer. In guidelines issued to the board of trustees of the fund earlier this week, I have made it clear that licensed agents will be eligible to make claims on the fund and that the validity of agents' claims will depend on provision of satisfactory evidence that the consumer has been reimbursed.

On Feb. 9, Weir and Foulds gave the following legal opinion as regards section 13. It agreed (a) that section 13 "imposed eternal liability on the travel agency;" (b) it did not feel that the Act, regulations and trust agreement could be interpreted so as to allow a travel agent successfully to make a claim on the fund; and (c) the remarks of Mr. Handleman quoted above were "contrary to the results that would flow from the overriding specific liability imposed on travel agents by section 13."

There are just a couple of points I'd like to make with regard to this controversy. First of all, I have been given some indication by representation from the travel industry conference that they are not basically opposed to the reimbursement of travel agents.

**Hon. Mr. Handleman:** They're not? It's news to me. You've been lobbied, my friend.

**Mr. Reed:** Okay—but with strings. In other words, they want to have more control over the registration of travel agents. That's the word I was trying to think of. Pardon me if I'm delving into an area—

**Hon. Mr. Handleman:** I think the motor vehicle dealers would like control over their registration, too. A lot of people would like control over their own registration.

**Mr. Reed:** I want to tell you that it's difficult for a farmer to play lawyer.

**Hon. Mr. Handleman:** I'm not playing lawyer at all. The consumer spokesman for—

**Mr. Reed:** I'm the farmer. The point is that it would seem to me that if the ministry is prepared to negotiate with the travel agents some satisfactory conclusion can be reached on this matter. It would appear that section 13 does contain some room for argument. All I would like to do today is appeal to the minister that at the appropriate time, he be prepared to look at the case the travel agents have to present.

I'm convinced that these people are responsible gentlemen. They are really trying to exercise control over their own industry. They feel that they do not have it sufficiently to allow for this kind of claim being made by agents at this time. Finally, the article in the Canadian Travel Courier of May 6, 1976, I think, probably explains their most recent position as completely as possible. That's all I wish to say on that, Mr. Minister, but I do feel that there has been enough doubt raised by this other legal opinion, that one might consider the alternative.

**Mr. Chairman:** Mr. Minister, before you reply, I'd like to make some remarks on this particular heading too. I don't feel it's necessary to vacate the chair to do so, unless somebody forces me out.

Section 13 has cost very considerable disruption; perhaps misinterpretation, I don't know. In any event, a number of people have been to see me, letters continue to come in; and when Frank Drea handled the matter in the House, I thought there was fair clarity with respect to the matter.

There was an interrogation in which it was indicated that it wasn't the intention of the travel agent, once the travel agent had disposed of the funds to a wholesaler, that that travel agent would any longer be responsible. It was analogous to the position of any person in a trust position, as a fiduciary handling funds. Once they have legitimately handed those to some third party the agent is generally considered to have been removed, particularly as Weir and Foulds state in their very fine opinion; which I am forced to agree with substantially, maybe not in detail but in the substance of what Weir and Foulds say. Jack Weir is an old friend of mine and I couldn't possibly disagree with him anyhow.

On the straight question of law, it seems clear. I thought it was clear and I thought, in all good faith, Frank Drea felt it was clear



and possibly thinks it's clear today, despite all the obfuscation.

**Mr. Drea:** You agreed with it.

**Mr. Chairman:** The answer was that the agent was off the hook, and it appears that the agent ain't off the hook at all. I had doubts at that time and, mea culpa, I should have pressed the matter more in the House then and possibly moved for an amendment clarifying the point, because I wasn't satisfied then and I'm far less, after all these incursions of many individuals coming to see us, satisfied today.

That section has to be changed. You may take whatever interpretation you please. I think Weir and Foulds is perfectly right. If this matter was taken to the courts, the courts, on a literal reading of that section just as it stands, would have no other alternative but to come to the conclusion that the agent was the goat. Whether he had disposed of the funds or not, and whether it had been to a disclosed principal or an undisclosed principal doesn't matter, he's had it.

Under common law, as Weir and Foulds say, if he had disclosed who his principal was, who the wholesaler in the business was, who he was dealing with then he would have been off the hook. But your legislation compounds the evil; it says no, the common law doesn't operate, the legislation overrules it. In that case he remains responsible regardless.

As to an undisclosed principal, of course, he might very well be liable under the common law, and he is in my opinion certainly liable under the legislation, as it presently stands. If the position taken by the ministry, and numerous letters back and forth, both to Mr. Clement and Mr. Handleman over the past year or so and a half, if that means anything, then isn't the simplest method, of any intelligent man to rectify and clarify the situation as it presently stands, and make it abundantly clear, in express legislation, that the agent is not on the hook under certain circumstances such as I've outlined.

This is the rub. I think that whatever you might say—I'm always open to conviction—but we have spent too long on this particular matter so that it should be readily acceptable.

I have before me a resolution from the annual meeting of the Ontario Travel Industry Conference on Jan. 17, 1967, which outlines what they think the position ought to be in terms of clarification.

**Mr. Drea:** What date? Did you say 1967?

**Mr. Chairman:** Jan. 17, 1976. I have documents from the conference and the newsletter of the Ontario travel agents, which is issued frequently. The matter is adverted to, time after time. Until the minister replies, I don't think there is any point, particularly at the moment, to labour the point—but I am prepared to labour it.

**Mr. Drea:** You may have to labour it with me.

**Hon. Mr. Handleman:** Mr. Chairman, before Mr. Drea contributes, and I know he has a great deal to contribute, I just want to point out that we have never at any time, in our discussions with OTIC, suggested that section 13 was inviolable. It can be amended if necessary; and not only have we been discussing that with them, but we are studying it inside the ministry.

What I am concerned about, and what I don't understand how Mr. Reed could possibly accept, is the statement from the industry that says, "If you don't amend this, we will not permit you to do that." This government and this Legislature passed an Act. It was fully debated in the Legislature. The intent was made quite clear, that it was a consumer piece of legislation.

We cannot accept the kind of threat that is being made to us by OTIC, and I suggest to you, sir, that you have been fully lobbied by an organization which is rapidly losing credibility in the industry. They have said to us, "If you do not amend section 13, if you do not protect us by tightening up the rules for entry into the industry, we will see to it that no claims are paid to agents."

That board of trustees was appointed by me—it is a ministry appointment—and I will not have an industry group telling that board what to do, and that is exactly what has happened. I will not accept it, and I have told the board that I won't accept it. They are meeting on Friday, and I have already put to them four claims from agents. These are the first ones that they have ever taken the time to sit down and study.

I want to read you one sentence from a letter I received from one of these agents:

We made good our client's loss in the form of an alternate holiday; and because we did, we who acted in an honourable way and immediately recompensed, are the ones to suffer. Those that sent their clients to the fund obviously are off the hook.

If Weir and Foulds are correct—and I am not in a position to argue that legal opinion



—then every one of those agents who sent his clients to the fund should now be sued, because they are suggesting to those agents who paid their clients, “Tough luck. If you have paid your clients, that’s it. Don’t come to our fund.” Well how is it that the agents who sent their clients to the fund for payment are not being pursued by the board of trustees.

I want to suggest to you there is now a movement afoot—and I will just read you again the statement from a travel agency that is now canvassing all agents in the province: “It seems to us and to others that as a result of the last OTIC meeting, OTIC appears to be functioning principally for the benefit of wholesalers.”

The president of OTIC is the successor owner to Sky Shops. He has been putting considerable pressure on us. I, as the minister, am not going to accept it; I tell you that right now. And if the pressure continues, I suppose we are on a collision course, headed for a showdown; it may be politically devastating, from what I am told by them, but it is not the kind of pressure that I can accept.

I expect that those agents who, acting in good faith, did what I consider to be the right thing on behalf of their clients—that is bought them a replacement trip or reimbursed their money immediately—should not suffer in comparison to the others, who I think did not act responsibly and told their clients, “Either buy your own trip or wait for your money from the fund.” I don’t consider that to be proper business practice.

When we are talking in general terms about business practice, I think a retailer should satisfy his customer first, than seek compensation for himself. I don’t want to be the minister of a programme that does not provide compensation when a businessman has acted responsibly, and compensation exists in the fund for that.

**Mr. Reed:** I am wondering if you would comment then on the apparent ambiguity of the legislation itself. In other words, is the law the law or is it not?

[4:15]

**Hon. Mr. Handleman:** This is exactly what I said. If there is ambiguity in law, I depend on legal advice myself in making that decision. OTIC got their legal opinion, we have legal opinions too. There seems to be disagreement among lawyers and that can happen quite often.

When that happens I go back to the will of the Legislature as expressed in the debate;

what did we intend to do? It’s quite obvious that what we intended to do, in my reading of the debate, is to provide immediate redress to the consumers; that’s what we wanted. Now if we say to a travel agent: “Sorry, if you pay your traveller immediately don’t come to us for money”, then obviously what we’re telling him is send your customer to us; and that’s not going to provide speedy redress to the consumer. It means the consumer’s going to have to fill out a lot of forms, make application to the fund, which schedules meetings four times a year, will meet, and in its own time approve claims.

Now we just don’t think that’s in the interest of the consumer; despite all the criticism that we get I insist that we do operate for the benefit of the consumer not the industry. We regulate industry in the interest of the consumer. There is some feeling among industry that we’re not protecting them, and I want to say right here and now that I have no intention of protecting the industry, that’s not what the Act was for.

For example, to set up tighter criteria for entry into the industry is very good for those who are now in it, it keeps everybody else out. I’m not suggesting that we should make it easy to get in and get registered, but I don’t want to set myself up as the judge of who should be in the travel agency business and who should not. And this is what we’re being asked to do. I think we’ve operated in the interest of the consumer and I think we will continue to do so.

**Mr. Reed:** Yes, and you deserve all due credit for operating in the interest of the consumer. I am concerned though, with all due respect, with the law, with this other legal opinion; and I am concerned, too, with possibly the longer-term effects if in fact the law does contain an ambiguity, and I am in no position to render an opinion one way or the other. But if it does, I’m concerned that it be corrected so that that’s eliminated.

**Hon. Mr. Handleman:** We don’t want defective laws. I’m sure.

**Mr. Reed:** The other point perhaps that’s worthwhile making—

**Mr. Drea:** Perhaps I can shed some light for Mr. Reed if we go back to the beginning. I can understand your position.

**Mr. Reed:** Okay.

**Mr. Drea:** In the first place, it is all very nice for OTIC to say they should be able to regulate their industry. Prior to the introduction of this Act—and I have arranged to



have the Hansard brought down so you can go through the whole chronology, I'm going to try and remember it. And I think Mr. Lawlor will remember the events of that day.

We pointed out, in considerable detail, that I had worked with the industry for approximately five and a half months, we had done everything that was humanly possible. I give great credit to the industry at that time because there was no OTIC, it was a totally fragmented industry and even getting five or six people in who would at least speak for themselves, let alone try and speak for the travel industry, was a considerable task, and I still admire them for taking the plunge. It became extremely obvious that there was no way that an industry so fragmented, an industry that got its certification, in most cases, from agencies beyond the control of not only the government of Ontario but the government of Canada; they got their accreditation in some cases, as a travel agent authorized to have ticket stock, in other words to issue a ticket and get a commission from Washington, DC; and Washington DC decided whether or not they were a travel agent in Toronto.

In the cases of overseas flights, IATA—and it may have been located in Montreal, but the Canadian government has no control over it—IATA decided whether or not a person could get a commission, and therefore really be a travel agent.

The federal government expressed monumental unconcern about the entire problem. Not only this province but the Province of Quebec, literally begged the federal government, through the Canadian Transportation Commission, to accept that responsibility for that legislation would have been much better in their hands applicable across the country. They told us quite frankly they had no resources, and as a matter of fact, not too unfrankly that they had little interest in pursuing the charter end of it. I'm sure you're aware, as is everybody else in Ontario, that up until 1975 when you purchased a charter flight you were literally on your own. If the plane took off and came back on time you really should have had a medal, you won the sweepstakes.

We proceeded with the legislation on the basis of two areas. If you read Hansard—and I have received a great deal of criticism on this—we said:

Let's make no mistake about it, this is consumer legislation. This is to protect the consumer pure and simple; and let's leave it at that.

All right; but there was also an overriding consideration for the legitimate travel agent.

It has been all too easy for the tour wholesaler, or the packager of the tour whose identity wasn't highly visible. He very seldom had an office. The customer didn't buy from him directly. He could vanish. I'm talking about people like the not too-lamented Colin Cripps, who later went to jail, I'm talking about a lot of these people. They operated from telephone booths and suddenly they disappeared.

But the travel agent was in fixed premises. He rented an office, he had a sign and the public came to him and said: "Look, we gave you \$250 for this flight. The flight isn't going; kindly remit." And he would say: "But I gave the money to Mr. Cripps," or another one of these scoundrels. And the public would say: "That, my friend, is your problem."

If you read Hansard, and I'm sure Mr. Lawlor will recall it, the second overriding consideration was that the legitimate travel agent, the small businessman who is doing business in good faith, if he had done business in good faith this legislation would get him off the hook. In other words if he passed on the funds in good faith to a registered wholesaler and the registered wholesaler disappeared, the compensation fund would pay.

Now, just hear me out for a second and then you can ask.

If we intended the travel agent to take the whole loss, we would never have established a compensation fund for the travel agent; not the wholesaler, but the retailer whose sign and whose store is known to you. We would have been guilty of the most mammoth deception ever, if we said: "You must pay into a fund on behalf of the travel industry, but you or your clients can never claim on it because you are going to have to pay each and every cent."

Now obviously the intent was not there. The intent was that the customer put his money into a registered or licensed travel agent. At that point the travel agent, provided he dealt with a travel wholesaler, registered under our legislation, and the money had been passed on in good faith, the responsibility for the default of that money lay with the wholesaler.

The fund would pay the customer, but the ultimate penalty was against the wholesaler. No matter what criminal charges he may or may not have faced, in any event his business career was over because he could never again be registered in this province. That intent was very clearly spelled out.

I bring you back to the fact that it would have been much easier had the federal government chosen to exercise this jurisdiction,



because they do have control over charters, affinity groups and so forth, that's clearly within their jurisdiction.

Let's take the events of Blue Vista, which is what you are talking about. At that time, it was a Christmas or a New Year's holiday, which means in the trade that every aircraft, charter or regular or what have you, is absolutely jammed. There was no available transportation.

Secondly, the government of Canada, through the regulations enforced by the CTC, specifically requires that to go on a package tour, which Blue Vista was offering, you must pay a deposit so many days in advance, and you must pay the remainder so many days in advance. If you default on your deposit, it's non-cancellable. Those are federal laws.

When Blue Vista defaults, the only person who is exempted from that federal legislation is a bona fide travel agent, because he can arrange an alternate flight. If I went into my travel agent on the afternoon of Dec. 29, when this thing occurred—and it was in the papers—and I said: "Gee, am I going to Nassau?" And the guy said: "Well, no; Blue Vista defaulted." I'd say: "Well, look, I really don't want my money back. My wife and I want to go." People have two weeks' vacation; they can't schedule again in July; they want to go. The only person who could put me on another flight is a bona fide travel agent, because he has protection in case a flight is oversold or what have you.

Many travel agents across this province assumed that responsibility. They got the people their trip, with no additional outlay of funds.

It is all very well to get letters such as I receive from some travel agent saying, "Well, why didn't they pay for another trip and then they would be compensated?" There are some families and some people who don't exactly have all the money in the world. They put down their money once. These travel agents put them on another flight where they got comparable service. To the best of my knowledge—and if I'm wrong, the minister or Mr. Caven will correct me—there was not one single complaint about the quality of service from the people who were placed on those alternate arrangements. Had the travel agent not, they would have told the person, "Happy New Year, and we hope it doesn't snow too hard in Toronto. In the fullness of time the government will get you back your money."

This is the alternative, at the local businessman's level. This is what concerns me. Here is a piece of legislation, the whole purpose

of which is to protect the consumer. It is also, in a little way, to protect the travel agent against the octopus who is around him.

People now say, no, the travel agent shouldn't have assumed any responsibility, shouldn't have said, "I will stand in your shoes, I will make arrangements, I will do all the bookkeeping and all the submissions and everything to the government. I can afford to wait one month, two months, three months to get back my money, but in the meantime you get your trip." It seems to me that that is a much better procedure than to say very calmly to the person, "We're very sorry. We acted in good faith. The travel wholesaler has disappeared, the police are coming around looking for him, and in the meantime we hope you book with us next year and we hope it doesn't snow too much."

Mr. Reed: Frank, you haven't said anything I can take issue with or disagree with, but the fact is still sitting there about this ambiguity in the law itself and this opinion of Weir and Foulds.

Mr. Drea: With all due respect to Weir and Foulds, and with all due respect to Mr. Lawlor, in view of one of the presentations I'm going to make tomorrow night, which is somewhat technical, I say in all due respect to all these technically minded people, the intent of section 13 was that up until this time in the situation that I've explained to you in layman's terms about the travel agent being grabbed by the customer and the travel agent having to absorb the whole loss, guilty or innocent, there was difficulty because of the agency relationship—because after all he was your travel agent and he had acted for you—there was great difficulty in going immediately after the wholesaler.

The intent of section 13 was to make both of them liable—no question about it, that both the travel agent and the wholesaler were liable—but the intent was that the board of trustees of the compensation fund would sit down and, since both of them technically were liable, it would assign the guilt if the money couldn't be paid. In other words, if the travel agent had acted in good faith, he was absolved just the same as in an insurance case and went home. If it was the travel wholesaler who was the guilty person, he was told to remit out of his own funds or, if he couldn't, the fund paid and therefore he was out of business. That was the intent of section 13.

There were, at that time, considerable discussions with the legislative counsel. It's all very nice to bring in Weir and Foulds. I



presume, with a name like that, they're high-priced and I presume they have initials after their names. I prefer, over the years, and I think that anybody who has dealt with legislation in this Legislature will agree, that while the legislative counsel may not be a household name and may not have a fancy letterhead, I rely very much on his opinion. That was his opinion of section 13.

At the same time, the chief solicitor of this ministry, a person whose legislation has certainly stood the test of time, it was also his opinion of that. I would certainly say to you that if it turns out that despite the intent there was a human error, and there's ambiguity or what have you, the minister is already on record that we are constantly looking at this legislation. This is evolving legislation. This isn't written in stone. Certainly the ministry is going to have a look at it. I find it amazing, after the events of Dec. 29, 1975, that suddenly there are all these legal opinions about section 13. [4:30]

Where were all the legal opinions about section 13 when the matter was being debated in the House? We've a very eminent solicitor who debated with me in the House on that legislation. He's sitting here, and at that time he certainly agreed with the intent. He certainly agreed with the wording. I know of no worse interrogation that Mr. Lawlor can put forth.

**Mr. Angus:** He was misled.

**Mr. Chairman:** I've been depressed ever since.

**Mr. Drea:** There were all kinds of others; people had to register; people had to come in; people were denied—

**Mr. Chairman:** Come on.

**Mr. Drea:** —all through the period 1975, all the way up until this one case. I'm not going to say that there wasn't some argument about section 13. But certainly, the high-priced help wasn't being called in to give legal opinions on a ministerial statement. I find it of the greatest significance that they could parade around after the events of Dec. 29, 1975.

**Mr. Reed:** Just a couple of points, and I see it's 4:30 now. I get a very uneasy feeling here that we're taking an industry and we're lumping them all into one rather unclean pot.

**Mr. Drea:** Oh no.

**Hon. Mr. Handleman:** That's exactly what we're trying not to do.

**Mr. Drea:** Specifically when I brought in the legislation I bent over backwards to say we appreciated the help of the 95 to 96 per cent of the industry. I don't think there was ever a statement made more clear that they were just as determined as we were to clean out the three or four per cent which were bad. Except they didn't have the means to do so within the law, and that is what we were doing. We're not suggesting here that anybody is clean or unclean. I have the gravest of suspicions about Mr. Max Wilson who disappeared. We're talking about the other people and I presume that's what you're talking about.

**Mr. Reed:** Yes, I certainly am and I'm continually disturbed that there is such an apparent confrontation looming over this thing.

**Hon. Mr. Handleman:** Our view is that there is no need for a confrontation. We feel the agents should be paid out of the compensation fund, provided their claims are legitimate. We're certainly not trying to say that any agent who has acted in collusion with Blue Vista or Sand Pebbles or any of the others that defaulted should be paid. He's just as liable as the wholesaler we can't find.

What we are saying is that those agents who acted in good faith should now be paid so they can go back to doing business—some of them are in pretty rocky financial shape—and let's get on with revising the Act. What we have met with is obstructionism, saying: "We won't pay anybody until you sit down and amend this." We can't get an amendment through that quick. We want these agents to be paid. We think they deserve to be paid.

The intent in the Legislature was that they be paid. Notwithstanding Weir and Foulds, if they're not to be paid then we think we have to sue the other agents who haven't put claims in on the funds we've paid out on their behalf. We don't think you can have it both ways. We're saying, let's treat them all the same and get the claims paid. Certainly, this is brand new pioneer legislation. Nobody has ever had it before and there are bound to be flaws in it. If there are flaws, we're the first ones to admit it.

But I don't think we can take the time for the legislative process and at the same time say to the agents who are writing to us: "Sorry, fellows. You acted as good businessmen but the interpretation that Weir and Foulds put on us is that we can't pay you."



We say, as a ministry, that we can. Weir and Foulds do not run the ministry.

**Mr. Reed:** Okay, then it would appear from this discussion that there is going to be room for negotiation and movement and so on.

**Hon. Mr. Handleman:** There always has been.

**Mr. Reed:** That's really been the core of my own concern.

**Mr. Drea:** I just want to leave you with one more thing. If those agents hadn't paid them, I'd made the suggestion you'd be standing in the snow. Let's say the agents said, "I can't pay or I lose everything. I'll tell you what I want you to do. You just go out to the airport because there are going to be lots of blank seats because Blue Vista is out of business. You just go to the general aircraft counter. You just happen to say, 'I'd like to take a trip. I have a bit of money. How much can I get it for?'" You look at me in some amazement. This is done very often. What the agent would have been in a position to do is to counsel someone to break the federal laws of this country—that is, the agent who was trying to protect his client. That was his alternative. Did he do it according to the federal laws which govern the actual flight, or did he counsel his people to break the federal laws? I really don't think so in that case.

The third alternative is to tell him, "Go and sue the government and we'll see you." I don't think that of the other two alternatives when they're trying to protect their client, that to suggest one will go out and break the federal law because everybody winks at it anyway, is the proper course for a businessman to take.

**Mr. Chairman:** The next person on my list is me. As Cromwell said, "Let us sit down, gentlemen, and reason together." Section 13 reads:

Where any person is entitled to the repayment of any money paid for or on account of a travel service, any travel agent and any travel wholesaler who receives such money or any part thereof is liable, jointly and severally, with any other person liable therefor for the repayment of such money to the extent of the amount received by him.

When I went into the House on this, you know how these things are done—

**Mr. Drea:** No. You were in great shape that day.

**Mr. Chairman:** —there's a visitation—Frank, I'm speaking. I didn't interrupt you. There's a visitation, they say. On Dec. 5, 1974, the Rev. John T. Clement made a major statement with respect to this legislation to the House as he introduced the bill for first reading. This kind of an imbroglio, this sort of problem, wasn't even intimated, really, in the statement as to what might arise from it.

You go into a thing as a perfectly innocuous piece of licensing legislation. In the course of the thing, you go into committee and you see a clause which, on the surface, seems to say that the travel agent is liable, period. You stand up and you ask the responsible minister or his representative what construction is placed upon that? What does it mean? Does it mean what it says? At least, what it's meant to say is along the lines which are perfectly agreeable. This is what seems the sensible thing.

What a lawyer is bothered about in the Legislature—and I don't know if laymen are aware of it—is this: The judges and the courts, with respect to legislation, are not permitted to look at Hansard. This is taboo. The judges must not make themselves aware of the background, the material, that goes into legislation.

The judge sitting on a bench is innocent. All he has in front of him is a text. He reads that text literally, in the first instance. If it's ambiguous he has other rules of interpretation to refer to, like the golden rule. But if there's internal conflict, if it doesn't jibe with the rest of the statute he has to make sense out of it and he curses the Legislature under his breath for its failure to make things clear.

In this case, since this whole storm has blown up, I can say nothing but that reading it in a literal sense, as any intelligent judge would do, the result of the legislation, whatever our good intentions may have been, is to put the agent on the hook. Therefore, we've made a mistake. That being the case, let us have the courtesy and magnanimity to recognize it for what it is and proceed to alter it.

This third thing that is coming in here and that I am hearing today—this threat business coming from the board of trustees—seems to me, with respect, mere pettiness. We're legislators. We're above that. We're not concerned with some sniping group out there even if they have been appointed by us.

**Mr. Drea:** Really.



**Mr. Chairman:** What they're going to do or not do, we couldn't care less.

**Mr. Drea:** Have you changed?

**Mr. Chairman:** That's fine. We'll listen to them like any other group in the community but we don't get our backs up like adolescents with respect to some kind of threat coming from them. If we've made a mistake we have the generosity to recognize it and I'm asking the ministry to do this, I'm convinced—and I think on my literal reading it can't be otherwise—you will have to work that in with the regulation which has been put forward, 367-75. Whether or not we accept Weir and Foulds holus-bolus they're not dictating to the ministry any more than the trustees are dictating to the ministry. We run our own show and we do the best we can under enormous pressures at all times.

I don't, at least, fault Frank. He had five months to consult with them and I had about five hours maybe to deal with the matter. In any event that's beside the point. This is our own personal grievance and it would be an exercise in smallness to persist in that area. I see that in the resolution I cited previously, from the annual general meeting of Jan. 7, the second resolution reads:

Resolved that the OTIC shall recommend to the board of trustees of the consumer fund to take whatever actions are necessary to obtain reimbursement from registered travel agents whose clients are reimbursed by the fund, where the board of trustees deems such registered travel agents have not acted in good faith and are not at arm's length with the registered travel wholesaler to whom they have passed the clients on.

I think we all agree with that.

**Mr. Drea:** That's motherhood.

**Mr. Chairman:** But Weir and Foulds' opinion, as I read it, claims that that is not possible, that it's not sufficiently worded or clearly-worded enough to give them that mandate to exercise. Let me just read shortly, this is a lengthy opinion that has been given on—

**Mr. Drea:** Could I just interject?

**Mr. Chairman:** No, not just yet.

**Mr. Drea:** Just for a point of clarification, because you just brought in a new element in here. The suggestion there is—I just want to make sure I understand it in my own mind—that if somebody was in collusion nothing could be done? That is not the argument

they're putting forward; they are threatening to sue if the people who are even at arm's length are repaid.

**Mr. Chairman:** Yes, I know, but that's a piece of silliness on their part and I wouldn't pay too much attention to it.

**Hon. Mr. Handleman:** It's on the record.

**Mr. Chairman:** But Weir and Foulds say as follows:

[We understand it has been suggested that the word "client" in regulation 367-75 might include a travel agent who has forwarded funds received from a traveller to a travel wholesaler, suggesting that some claim might be made by the travel agent against the trust plan for reimbursement in the event of a default of a travel wholesaler. We do not believe the word "client" would be interpreted by a court to include a travel agent, when the travel agent is specifically defined in section 1.01i as being a participant.

There's good sense to that. He can't be both participant and recipient at the same time. He's not a client within that kind of definition. At least this is a moot point and the ministry ought to have the generosity to concede, or at least to say, "If it is a real point of contention between the parties, then we'll clarify it and straighten the whole thing out."

So it gets down to the business that whatever we may have intended, it is not what we did or what it appears that we did. Therefore, to continue the imbroglia, to continue the quarrel, is demeaning on all sides of the fence.

I know it takes time to get amendments through but if it were introduced shortly you wouldn't receive any complaints from our side of the House, as far as the New Democrats are concerned. I think it's a simple point of clarification which is otherwise leaving everything dangling and causing all kinds of unnecessary friction and using up the vital time of this committee.

Interjections.

**Mr. Chairman:** All right, that's all I've got to say.

**Hon. Mr. Handleman:** Mr. Chairman, I just want you to know that I think the ministry has acted in good faith. We have proposed a regulation which, in our view, would completely clarify and meet the objections of Weir and Foulds; we've offered that. Our trust agreement reads that the regulations must be approved by the ministry, by the



board and by the trustee. The trustee and the ministry have both agreed. The board, which is made up of representatives of the industry, has refused to accept the regulation.

There's only one option, and that is to revoke the appointments of the board and replace it with a board that will accept the regulations, and the clarification will be there. We think that's petty, as the chairman has said. We don't understand why they don't accept the regulation, except that they're under some kind of instructions under that resolution from OTIC. We don't think the board should be any part of OTIC. It's a ministry board and its instructions, if any, should be coming from the ministry. If the ministry is wrong, then the courts eventually will decide and Weir and Foulds may eventually have their day in court. We may be proved wrong.

But we think in the meantime there are claims to be settled, they should be settled, and let's iron this out through the normal legislative process. We're not objecting to any actions that will help to improve the Act, clarify it, or do what we think it intended to do.

[4:45]

**Mr. Reed:** Thank you very much for this discussion, Mr. Minister, on this particular subject.

**Mr. Drea:** Could we just leave one thing on the record? I think this is of some significance. The question has been raised, in some of the articles that you read or in some of the submissions that are made, that the ministry hasn't acted in good faith with a group that represents part of the travel industry. They don't represent it all.

**Mr. Reed:** Who are you referring to as accusing the ministry of not acting in good faith? I hope you are not accusing me.

**Mr. Drea:** No, the documents. I am talking about the documents. I said that. Just so that it is really clear, between myself and the deputy minister and the minister, and in combinations or in variations, there has certainly been more consultation with this industry both prior to the introduction of the legislation and after the introduction of the legislation to this date, including the board of trustees. I just want to leave that on the record, that this has been discussed and discussed and discussed and discussed.

I don't want the impression left that somebody is submitting a brief because they cannot get a hearing. I am not suggesting that's why

they came to you, but when people go into a chronological order in order to explain, they have certainly met with the other parties, they have certainly met with the chairman, they have certainly had voluminous correspondence, so that certainly all of this has been open and above board before the events of Dec. 29 and after.

**Mr. Angus:** I would just like to follow up a little bit. Mr. Minister, your comment about the board not having accepted the regulations while the ministry and one other—

**Hon. Mr. Handleman:** The trustee; National Trust Co. They are the trustee of the fund.

**Mr. Angus:** Okay, but to my knowledge the board is comprised of representatives of two groups, one group appointed by your ministry—

**Hon. Mr. Handleman:** No, no. The entire board has been appointed by me. What we did, in good faith, was we accepted five nominations from the industry and put them on the board, and two representing the public.

**Mr. Angus:** One of those is a lawyer from Thunder Bay, if I am not mistaken?

**Hon. Mr. Handleman:** Yes. He has accepted our outline of policy.

**Mr. Weinstein:** The figure is four and two. Four industry and two otherwise.

**Hon. Mr. Handleman:** And our own ministry representative.

**Mr. Angus:** Of the four and two, the lawyer from Thunder Bay you say has accepted your position. Has the other government appointee accepted your position?

**Hon. Mr. Handleman:** Not yet. They are meeting on the 14th and we expect to get a formal decision at that time.

**Mr. Angus:** Even though it was just acceptance of nomination from OTIC, is it fair or unfair to suggest that those nominees represent the feelings of the travel agents and the wholesalers throughout the Province of Ontario, or do you have any input at this point?

**Hon. Mr. Handleman:** We have input from the two opinions. One is represented by the officials of OTIC and the other is represented by a large number of travel agents who are now seeking to break away from OTIC and form their own association, so there are two opinions in the industry just



as there appears to be two opinions in the committee.

**Mr. Angus:** The reason I asked is because I learned about the whole problem through a travel agent in my community who is very upset about the way things have been handled. He felt very agreeable with the necessity of protecting the consumer but he doesn't feel that that protection has been made available as well to protect the travel agent. He has been lucky. He has only had one client on one of the two flights that were cancelled, so he is not feeling the pinch as hard as some of the other people are. However, I get the feeling that a lot of the travel agents agree with him in that any type of legislation—and I think it has already been stated here this afternoon—must protect not only the consumer but the retailer. You can't protect one at the expense of the other or vice versa.

**Hon. Mr. Handleman:** Oh, it's not at the expense of one or other. This is consumer legislation and, secondarily, where we can, obviously we want to ensure that the retailer is not mistreated, but it's not intended for the protection of one group.

**Mr. Angus:** Okay. Maybe it's just different words we use.

What I'm saying is that this Act, if it had been worded slightly differently, would have afforded protection to the retailer, who is in the front line, as has already been said; he has to deal with the clients who, in a lot of cases, are continually in touch, because people tend to take a tour every couple of years and, once they get established with a travel agent, they will continue coming back. Thus, he has a certain amount of credibility. No matter what the interpretation was, if he didn't find another tour or another flight, as has been suggested—and to be quite honest with you, I think maybe a lot of them haven't done that—or if he didn't actually replace the money, his credibility would have deteriorated extensively, not only with that client, but with the majority of the travelling community.

I would like to compliment those who have taken the chance, in spite of the feedback that they heard through OTIC and through the rumour mills, that they would be up the creek, so to speak, with the amount of money that they laid out.

A concern that they have, which is slightly different but related to the same matter, is the availability of licences; that anybody who can come up with the bond can get a licence.

I don't know the correct terminology, but he doesn't have to have an agreement with Air Canada or BOAC or any of the major airlines or transportation companies to be their authorized agent.

The suggestions I have received are that there needs to be some stronger definition of who should become a travel agent, perhaps something similar to the real estate boards where there is a training programme. I'm not too sure whether it's necessary to have a formal agreement with an airline or what have you, but I think that's the kind of thing that we should very seriously examine if this Act comes back to the Legislature for review.

I would like to suggest, too, with all due respect, that it has been six months since the problem has arisen, and I think the Chairman phrased it very well when he said that our party would not have any difficulty in supporting amendments to clear up the situation. It's quite possible—and this is hindsight—that the legislation could have been introduced a months ago, or a month and a half ago so that maybe today or tomorrow we would be giving it third reading or something like that. But that's hindsight, so I won't dwell on that.

**Mr. Drea:** First of all, there was some preparation of the details to make sure the board could make a valid determination that it was an arm's-length transaction. In the case of the person who talked to you about one case, it's relatively simple; whereas bulk cases are somewhat difficult.

Secondly, as the minister has explained, the board only meets quarterly. Now, we have been trying to get a meeting of that board for many weeks.

**Mr. Angus:** Mr. Drea, can I ask you how many times has it met since Dec. 29?

**Hon. Mr. Handleman:** Twice, I think.

**Mr. Drea:** Twice, but one was an emergency meeting.

**Hon. Mr. Handleman:** One was an emergency meeting; and they've had a telephone poll. But they won't meet when they're asked to meet. And I cannot call a meeting of the board.

**Mr. Drea:** I just want to clear up the hindsight. We've been trying to get the board to meet. The board finally got around to meeting on May 14.

**Hon. Mr. Handleman:** They were supposed to meet today.



**Mr. Drea:** They asked to have a meeting and they asked in good faith to consider the whole thing. I don't know what their determination is going to be, but the board has found some difficulties in pulling itself together.

**Hon. Mr. Handleman:** If I may say, with regard to the legislation, we've already committed ourselves to strengthening the criteria. We don't want to be overly protective. We happen to believe that there should be a certain amount or measure of competition in this industry. But we have agreed to strengthen the criteria, to review the bonding requirements and to amend section 13. The one thing we were told was, "No matter what you do, it will not have retroactive effect." Which would mean your agent, who I agree has acted very commendably, would be out in the cold on his little claim. And there are some that are not so little. This is what we are concerned about and why we asked to do it by regulation which would make it retroactive. And, as I say, we've had some problems.

**Mr. Angus:** By regulation you could make it retroactive?

**Hon. Mr. Handleman:** Not the things that you're raising now.

**Mr. Angus:** Oh, okay, that's what I thought you were saying.

**Hon. Mr. Handleman:** By regulation, with the consent of the board, we could in effect make the payment to these agents in good faith retroactive to the day of the collapse of Blue Vista or the day of the Act. We didn't ask to change the regulation on everything. We wanted to settle that problem and work on the other at the same time. We have been stymied and I admit they are meeting this Friday—they were supposed to meet today and it was postponed until Friday. They may very well change their minds on Friday. I don't know. They haven't made a formal denial. They keep objecting to these claims on the grounds that OTIC and Weir and Foulds—but we think they can improve them.

**Mr. Angus:** Possibly they can be sent copies of Hansard for the discussions for a point of information.

**Mr. Drea:** We have sent them copies of the original Hansards and it seems to be an article that isn't much in demand for reading.

**Mr. Angus:** Just following up on that, at some time when either the Legislature reviews the legislation or the Lieutenant Governor in Council reviews the regulations, some provision should be made through the minister, because of certain circumstances—i.e., two or three travel flights having gone bankrupt overnight, such as in the holiday season—that the board be required to meet within a specific period of time to react to that.

**Hon. Mr. Handleman:** We are contemplating changing the regulations concerning the operations of the board because of the difficulties we have had. One of the problems we have is that they themselves did not want the members of the board to be compensated in any way. When I looked at it, I said, "How are we going to get a lawyer and chartered accountant who are the public representatives to give up their time to deal with these things without any compensation?" Even the per diems are low for that category of professional. Many of them just don't want to take the time; your man up in Thunder Bay takes off two days from a prosperous legal practice to come here for nothing, just expenses, so I think we have to compensate them. We want to change regulations to that effect.

**Mr. Angus:** I think if you are going to ask people to serve for the public interest you have to compensate them.

**Hon. Mr. Handleman:** Right.

**Mr. Angus:** The specific item I would like to get into, mainly because I haven't heard anything since a number of us last met outside the Legislature one afternoon regarding the situation with Judy Rea and that section of Blue Vista Travel who—and I use this word delicately—booked through Judy Rea to Blue Vista for a charter tour: Could you advise us as to the status of the claims by the participants who went through Judy Rea?

**Hon. Mr. Handleman:** I have made a number of inquiries and perhaps Mr. Weinstein and Mr. Caven can comment on it. What we did, and I advised you at that time, was the question of status as to whether or not Judy Rea was an employee of Blue Vista, in which case the claims would be valid, or if she was an unregistered travel agent, in which case they would not. It was simply a clear-cut thing that had to be determined. A lot of information was being gathered, and I have asked the registrar to obtain some legal advice.



I think I should say here that OTIC has volunteered to reimburse those claimants on the Judy Rea case in the event that they are not eligible for payment from the fund. Our view, of course, is that if they are eligible for payment from the fund, then the fund should look after them. We don't want to accept charity from an outside organization. On the other hand, I think OTIC here is showing good faith in saying, "If they are not covered they are innocent victims and therefore we will," so we have that commitment.

**Mr. Weinstein:** The matter of Judy Rea will be taken up at the meeting of the board of trustees on Friday. They are aware of the OTIC offer to take care of the paraplegics; among the 53 claimants, there are 21 who are handicapped. This has been a generous offer made by OTIC to take care of these people with a substitute trip. But the Judy Rea matter is a matter of fact and our instructions are to establish those facts with the board. Was she in fact an agent, or was she in fact an employee of the wholesaler?

**Mr. Angus:** Okay. With all due respect, I think that again when we are looking at this legislation or regulations, to the people who booked through Judy Rea, it's a moot point whether she was an employee or whatever. They thought she was working in some way for Blue Vista and they in effect are consumers—well, not in effect, they are consumers—and if the true intent of this legislation is to protect the consumers in spite of a technicality or an illegality, there should have been no question that these people would be reimbursed. I'd love to be able to find a way to make that one retroactive but I'm not that optimistic.  
[5:00]

**Hon. Mr. Handleman:** If I may, again I have to point out that it was never intended to be a co-insurance fund although I've been accused of making it so. This is not an insurance fund which guarantees you against all problems which may arise. What it does do is protect you if you're dealing with a registered agent or a registered wholesaler or a carrier, people who have paid into the fund. We spent an awful lot of time, effort and money trying to persuade the travelling public to ensure that they were dealing with a registered agent. We're accused by OTIC of being easy on the unregistered travel agents who we know are operating out there. We don't know who they are or where they are. There are people still operating out there as unregistered agents. They have ticket stock from some source we don't know about.

They're not registered with us. We would like to find out who they are.

I accept the compassionate grounds on which we should do this. I've had my arguments with the board but I do think they have to pay some attention to the sanctity of the fund. The integrity of the fund seems to be their chief preoccupation. I say it shouldn't be but they must consider it as trustees. They're in a trustee situation with regard to that fund.

My concern in the Judy Rea case is they don't let that position override the facts which are going to be presented to them. I don't know what they are but if the facts indicate that Judy Rea was an employee their concern for the integrity of the fund should not make them say, "OTIC's going to pay anyway, therefore we'll turn them down."

**Mr. Angus:** Right, but as the gentleman said, they're going to pay only for the paraplegics, for the handicapped.

**Mr. Weinstein:** That is their offer.

**Mr. Angus:** That is their offer. Not for the total 51—

**Mr. Weinstein:** The handicapped portion.

**Hon. Mr. Handleman:** I wasn't aware of that. I think you have to look at all consumers in the same light but I can't force OTIC to do that. That's up to the fund. If the fund says none of them is entitled under the conditions of the Act, there is no appeal, as I understand it.

**Mr. Angus:** Is there a possibility that Judy Rea has an option to appear before the committee prior to its decision so that she or her legal representative may present her case as opposed to just submitting written documents?

**Hon. Mr. Handleman:** I don't know about the procedure before the board.

**Mr. Weinstein:** There is no provision for such an appearance.

**Mr. Angus:** Is there any prohibition?

**Mr. Weinstein:** I don't think there is any prohibition against this proceeding.

**Mr. Angus:** In light of the meeting this Friday, I realize it may not be that easy to arrange but I think in all fairness she should have that opportunity. You're talking about the money from 51 people, less the number of paraplegics; you're talking about a woman's reputation in the community. I under-



stand the pressures of this situation have come down fairly heavily on her and her family. I think, for justice's sake, she should have the opportunity of making a presentation to the board and of explaining the evidence presented so that she may have what amounts to a fair hearing.

**Hon. Mr. Handleman:** Again, I can't instruct the board and this is quite clear in the regulations. There is no way I can instruct the board on its procedure or its decisions.

I would have to suggest that your request has been heard by Mr. Weinstein who can pass it on to the chairman of the board, presumably before Friday, so that if necessary, the arrangements can be made for her to appear. They are going to have to invite her; I cannot instruct them to hear her.

**Mr. Weinstein:** There is a time problem, Mr. Minister. This is Wednesday. The agenda, I can tell you, will take a full day. The last meeting was over at 9:30 in the evening; it started at 9 in the morning and the agenda was not completed. To permit Judy Rea an appearance, while it seems that justice would be done by such an appearance, might be a very impractical thing. This agenda, on paper, is the heaviest we have yet had.

In any event, the matter has to be arranged through the chairman reaching all members of the board of trustees in six cities by tomorrow night to make this happen.

**Mr. Angus:** I appreciate that—

**Mr. Drea:** Mr. Weinstein, you might get a consensus of the board that there could be a nominal or non-appearance by Mrs. Rea on Friday and it would be adjourned for a reasonably short time if it was going to compound the agenda.

**Mr. Angus:** I think if they're going to make a decision, and if I read you correctly from an earlier statement that there is no appeal—and I realize again that it is the board's prerogative—then not to allow her either to be there to hear the discussion or to present her case and to challenge the case placed by whoever places the other side of the coin, will not provide justice.

**Hon. Mr. Handleman:** As I say, I can't instruct the board. The board has asked people to appear before it and the board has done this in the past. Therefore I can't say that they have never asked anybody from outside the board to come in and present a point of view.

They have, in fact, done this at one meeting. I suppose any agent whose claim is being heard, of the four that are being heard on Friday—or how many others are there? There are 81 altogether, so there are 77 other agents who are not being heard on Friday. At least the four that are being heard on Friday would probably have an equal right to come and plead their case. But again, I can't instruct the board.

I'm just speaking off-the-cuff and it seems to me the board might, if they wanted to, ask Judy Rea to appear before them and make whatever statement she wanted to make. I understand they have a great deal of evidence and if she can't add anything factually to what they have, it might be an imposition on the board because they do complain about these long agendas.

**Mr. Angus:** Are you saying there are going to be four claims coming up but you don't know offhand whether any of those agents have been asked to appear or they haven't?

**Hon. Mr. Handleman:** I doubt it. None of them would have been.

**Mr. Angus:** They haven't?

**Hon. Mr. Handleman:** No.

**Mr. Angus:** Thank you, Mr. Chairman.

**Ms. Bryden:** I have something further on Blue Vista, if I might, before we get on to other subjects. Does somebody else have any?

**Mr. B. Newman:** I don't know if anyone brought up the problem of the Rentex manner of allowing an individual to look through a list of vacancies available in a community and charging a fee for that? Is that not a fraudulent—

**Mr. Chairman:** Mr. Newman, I'm sorry. I want to terminate this phase of the statements referring to travel agents and then go on. Is there any further discussion on this particular point?

**Ms. Bryden:** Yes, Mr. Chairman. I also have a constituent, or two constituents, who were involved in the January trip organized by Judy Rea and who stand to lose the cost of two trips to Jamaica if nothing is done. They are not paraplegics so it doesn't appear as though they would be eligible for any voluntary reimbursement.

Especially after listening to the debate, I can understand the technicalities and the difficulties in this particular case. I think we also have to keep in mind that there is a



growing cynicism about consumer protection legislation with every new case that results in no satisfaction to consumers who acted in what they thought was good faith and who thought they were probably dealing with a properly registered agent.

I don't think there is sufficient information available to the public about the distinction between a registered agent and a non-registered agent or about the fact that they must deal through a registered agent in order to be protected by the legislation. I think we need more advertising on that.

Also, I think we need amendments to the legislation to clarify the distinction between the two so that you don't have as much difficulty in deciding whether Judy Rea was or was not a registered agent. It sounds to me, Mr. Minister, that we need to amend the legislation about the operation of the board to make it more effective to provide, as you say, remuneration for people who lose earnings while they are serving on it and to have it meet on a more regular basis.

I have my doubts about whether it should be as dominated by the industry as it is or whether there could be more consumer representation on it. It seems to me we're not really answering the problem of protecting people travelling and that we have to look at the legislation and get some amendments in very quickly.

Certainly, I can't see any solution for my own constituents unless the government itself would set up a compensation fund for people who are not covered by the travel agents' compensation fund in cases where those people were misled, thought they were protected and weren't, and, through legal technicalities is really what it amounts to, lose their protection. It would possibly be setting a precedent for the government to provide some sort of compensation, but I think this is something that should be looked at as a possibility, where people have been acting in what they thought was good faith and suddenly find they have no protection and it wasn't a case of "Let the buyer beware," because I don't think they had sufficient information to beware.

**Hon. Mr. Handleman:** Mr. Chairman, first of all, I think when Mr. Drea and Mr. Clement were researching this legislation before it was introduced there was a broad range of alternatives open to them. One of them, of course, was a straight insurance system, something like our motor vehicle accident fund, where everybody paid into a fund and anybody who lost could recover out of the fund.

I think there was a feeling in the industry that this would lead to some degree of carelessness in dealing with what has not been the most reliable industry in the world. They did want an opportunity to clean it up, to do their own regulating, and I think we gave them that opportunity and we would like to continue to have them operate the fund. I find it very tempting to say they should all be consumers on the board, but I think you have to allow some degree of self-regulation and we're quite prepared to accept nominees from the industry on any future board.

The question of having a public fund is one that has been bandied around. The industry itself has said: "We'd rather try it on our own." I think we would like that to be given a fair try. It's the first time anybody has ever done it. We don't claim that this is perfection, and as Frank Drea said, the legislation is not engraved in stone. We're quite prepared to make amendments, but I'd like to give it a fair shake before doing that. I'd like to give the board an opportunity to deal with the Judy Rea situation. They may very well, for all we know, come up with a completely favourable decision on Friday, or they may not. Let's find out.

**Ms. Bryden:** I can appreciate what the minister says, that he cannot tell the board what to do. You can, of course, informally communicate this discussion to them and I would hope you would.

**Mr. Drea:** I have one final comment. Mr. Angus has raised some points about agents wanting tougher criteria. In the beginning, we could have established very tough criteria and you would have had five travel agents in the Province of Ontario. I'm not talking about the training criterion at all. I'm just talking about the financial end of it.

It's a matter of record that we went to the bonding industry, and I met with them. I wanted, at that time, between \$20,000 and \$25,000 minimum. The bonding industry told me that for \$25,000 there were five travel agents they would license in Toronto—including Eaton's, Simpsons and Hudson's Bay. You had to have permanent fixed assets. At that moment it became obvious that by putting in that kind of standard, which looks very good on paper, it was virtually wiping out every opportunity of the small businessman. It is a problem. The bonding that we put in at that time—remember that was in 1973-1974—has been eroded by inflation.

**Mr. Angus:** When you say \$25,000, do you mean that was the cost to get the bond or was that the amount of the bond?



**Mr. Drea:** No. The bonding company simply would not issue a \$25,000 bond unless you had permanent security. Remember, this is not a construction bond where, as each day goes by, there is diminishing liability. This is a permanent, 365 days of the year, problem.

The other thing is—and I don't want to discuss it in great detail because it is still a matter of the police and it's proceeding remarkably quickly at the moment—in Mr. Wilson's case with Blue Vista, if we would have asked for a \$250,000 insurance bond, Blue Vista, because of the partners who were associated with it at that time, could have got \$250,000. So bonding alone, and high criteria, while they look very good on paper, really aren't the answer.

**Mr. Angus:** You can be a financial whiz and still go bankrupt, is what you're saying. [5:15]

**Mr. Drea:** No, he wasn't a financial whiz. He had partners and the reason that the bonding company would have gone for any amount is that the partners had such substantial interests—remember, this was a public stock company—that were already insured and they had such an enviable track record that the bonding company would have issued any amount. Because they say, very simply, "We'd have just charged them the loss on next year's premium."

Those two directors baled out shortly before the collapse. But all I'm saying is, in terms of putting in something like that, it is not really a simple thing. It's a terribly complex thing. As you can understand, it's a very fragmented industry. It goes from a man and a wife in a very small store, up to some immense operations owned by chartered banks in this country.

**Mr. Angus:** So you're saying the onus really has to be on other aspects of the criteria, as opposed to the bonding? That the bonding is really only just an additional amount of protection?

**Mr. Drea:** Yes, well it's practical for every agent to have the opportunity, based upon his good business ability, to get it. It certainly alleviates the loss to the fund, because that's one aspect of it.

**Mr. Angus:** Did Blue Vista have bonds?

**Mr. Drea:** Oh, yes, sure.

**Mr. Angus:** Does the Province of Ontario have claim to the bonds?

**Mr. Drea:** Yes.

**Hon. Mr. Handleman:** We have claim to that. They have hotels and all kinds of things that we don't have claim to. The other alternative that we considered, of course, was the trust fund idea. Of course, this would have meant that all moneys—it's the same as we now have for carriers and others—that the money is kept in trust until the plane has returned.

**Mr. Drea:** But there's a problem with that because of the artificial restraints that the government of Canada allows the government of the United States to impose upon travel agents in Canada. They now have to carry an artificial trust fund, which is not a trust fund. It's for the benefit of domestic carriers.

[The problem is with the little agent, in that if you said everything had to go into trust and none of the money could have been touched, he would have been in a position where he would have had to go to the bank for an overdraft.

As I have said, there are agencies and tour operators controlled in very sizable minority positions by chartered banks. We consider it would be very unfair to ask a man with a very small business to go in and try to compete for an overdraft with somebody where the bank was financing its own overdraft.

**Mr. Angus:** Okay, that's fine. The thing about the bonds, though, is: Is there a legal process being undertaken at this time—either by the province or by the board of trustees—to obtain redress from Blue Vista?

**Hon. Mr. Handleman:** First of all, the Blue Vista affair is under investigation. I don't know whether Mr. Mitchell is in a position to give us an update of the status of the investigation; but certainly any assets that we can find we can keep.

**Mr. Drea:** It's a forfeiture.

**Hon. Mr. Handleman:** The bond is there; it belongs to us.

**Mr. Drea:** It's \$5,000.

**Hon. Mr. Handleman:** It's only \$5,000.

**Mr. Angus:** It's only \$5,000?

**Hon. Mr. Handleman:** Yes, Now, another thing we have discussed with the industry is the question of increasing the bond in accordance with the increasing risk; and that's something we're discussing.



**Mr. Angus:** What's the \$5,000 compared to the amount lost over that?

**Hon. Mr. Handleman:** Blue Vista's losses at the moment are \$48,000—that has already been paid out. There's a potential \$160,000.

**Mr. Angus:** It's a drop in the bucket.

**Mr. Drea:** The problem today for the agent is getting a \$6,000 bond, regardless of how good his financial circumstances are. The bonding companies, on a straight forfeiture, just say, "No, \$5,000 is the limit." As a matter of fact, the highest forfeiture bond in Canada is a securities dealer performance bond in the Province of Alberta, and that is only \$10,000. That is as far as they will go. You can imagine the ramifications of a registered securities dealer in Alberta, for instance, taking off in the middle of the night.

**Mr. Angus:** Because of this situation, is the ministry very seriously considering other avenues of monetary protection by the individual travel agent or wholesaler—such as the trust fund that Mr. Handleman mentioned?

**Mr. Drea:** Yes, if you want to go back to the original time, we went to great lengths to say that the bonding was not really financial protection. It was a device and a vehicle that we could use to check the past business performance of the particular person who was applying for the first time. For that price, a bonding company would go back and really tell us how many bankruptcies, and so on—was it a bad business. That's what the \$5,000 was really for. Okay, it provided a little bit into the fund if there was a forfeiture, but the real thing was a business check.

**Mr. Angus:** What are the alternatives that you're looking at? You mentioned the trust fund.

**Hon. Mr. Handleman:** That was one of the original ideas. Of course, the problem there, as Mr. Drea has outlined, is that for the small agent the idea of setting up a trust fund is almost counter-productive, because he's going to be out of business. He can't really afford to keep all the money he gets and then pay the tour operator, which is required under federal legislation. He must pay that money over. It has to be paid. So he is financing his customer, really, and holding the money in trust, in the event that the wholesaler goes out of business.

But we are discussing alternatives with the industry. One of the things that we, I think,

are negotiating with the bonding people is an increase. Now that we have had a little bit of experience perhaps we can go to about \$25,000 for tour operators, \$10,000 for large agents and \$5,000 for the small agency—something of that nature.

**Mr. Angus:** But really, it still won't come anywhere near the kind of losses that one flight will—

**Hon. Mr. Handleman:** The question that was asked of us, for example, was what if Suntours goes broke? What we are saying is that that means the Royal Bank is going to go broke and therefore the whole country is in real trouble. There are certain things you can't cover against.

**Mr. Drea:** That is why we had the fund. It was in combination with that. The fund was to be the prime payout. You are trying to protect the fund but it was obvious bonding alone wouldn't do it.

The Province of Quebec went with bonding alone. They have different fiduciary arrangements there that they can do through provincial institutions. They are now taking a look at ours because, in the case of Blue Vista in Quebec, the claims are of some substance there too. They are now finding out that their straight bonding thing doesn't answer it either.

**Mr. Angus:** What about a small add-on fee, to each flight, in the form of an insurance? Is that a practical one to be looking at?

**Hon. Mr. Handleman:** We are looking at the whole field of travel insurance at the present time, and that's another thing we feel has to be cleaned up because many of the travel agents are, in fact, acting as insurance agents. They are selling a variety of insurance. The fees range from \$5 to \$14 with a variety of coverages. So, this is something we are looking at. But adding a fee to the ticket may get us into jurisdictional problems with the Canadian Transport Commission and IATA.

**Mr. Weinstein:** We are increasing the size of the fund.

**Mr. Angus:** And by doing that—

**Mr. Weinstein:** We are increasing the assessment to each agent and we are changing the method of assessment which, in effect, increases the cash flow.

**Hon. Mr. Handleman:** And the agents are now finally talking about charging a fee for



their services. As you know, they have relied completely on commission from the carriers and the wholesalers. We really think that if they are going to be the agent of a traveller, then the traveller should be paying an honest fee for that service and relieve the agent of the pressures which come on him to promote this tour, promote that airline, promote this hotel. He is then an objective agent on behalf of the traveller.

This is a whole new concept and I think this whole industry is evolving for the better.

**Mr. Angus:** Does that mean if you buy a ticket at the Air Canada counter it will be less than through a travel agent?

**Hon. Mr. Handleman:** I don't know. I buy mine direct and I get no discount.

**Mr. Angus:** That's what I mean, I am just wondering under this—

**Mr. Drea:** I have always advocated that, Mr. Angus. Maybe that is why I am not popular in the industry.

**Hon. Mr. Handleman:** I am not popular. None of us is popular with Air Canada these days.

**Mr. Chairman:** All right, we will move ahead. Just one word. I am disturbed about the Judy Rea hearing. There are nice questions of law as to agency and as to master-servant relationships there and I really think you should have legal representation.

**Mr. B. Newman:** I wanted to ask, on the travel agents problem, have you had any complaints at all from the Windsor area? Because, to the best of my knowledge this type of a problem doesn't exist back in my own community.

**Hon. Mr. Handleman:** I haven't got a breakdown of complaints.

**Mr. Weinstein:** Do you mean consumer or agent complaints?

**Mr. B. Newman:** Agent complaints. Consumer complaints concerning the agents.

**Mr. Weinstein:** Concerning the service rendered by an agent?

**Mr. B. Newman:** That's right, and fraud, where the agent didn't fulfill what the purchaser expected of the agent when he bought the ticket.

**Hon. Mr. Handleman:** If you are talking about the quality of service in the industry, we get a whole raft of complaints.

**Mr. B. Newman:** I would guess. How about the same problem that the gentleman just mentioned?

**Hon. Mr. Handleman:** Oh well, no, this is a different thing entirely.

**Mr. B. Newman:** Are there any comparisons in the Windsor area?

**Hon. Mr. Handleman:** Oh yes, sure.

**Mr. Drea:** Prior to the proclamation of the Act, you had that agency in London, England—I forget the name of it. There was an agency in London that went bankrupt because of its association with Mr. Harris, the football promoter, and there were people stuck from Sarnia, Windsor, all through southern Ontario. That was prior to—

**Mr. B. Newman:** But none of the Windsor agents were involved—

**Mr. Drea:** No, no, this was a London agency, with branches.

**Mr. B. Newman:** —because I have heard no complaints from constituents on this back in my own riding, and I just wondered when I listened to all of this—

**Mr. Drea:** Your problem in Windsor, Mr. Newman, is not the Windsor agents. It is the problem of your Windsor residents who can conveniently hop over the border and buy from a Michigan agent and get clipped in Michigan. That is where the clipping takes place.

**Mr. B. Newman:** I hold no brief for them doing that.

**Mr. Drea:** No, the agents in Windsor—

**Mr. B. Newman:** They want them to do business with the Windsor agent.

**Mr. Drea:** No, I met with the agents in Windsor prior to the introduction of the Act and they were a very honourable, legitimate group. Their main concern was that interlopers from the United States were coming through the tunnel or over the bridge, doing one day's business, popping back into Michigan, clipping the people and the State of Michigan or the United States were not able to do anything.

**Mr. B. Newman:** I have always known that problem existed but I have heard no complaints concerning Windsor agents themselves.

**Hon. Mr. Handleman:** I don't think we have too many complaints about agents. It



is tour operators who have defaulted; it is not the agents who default.

**Mr. B. Newman:** Have any tour operators in the Windsor area defaulted?

**Hon. Mr. Handleman:** Since the Act was brought in, we have had only five defaults of tour operators. They were Sun World, Sand Pebbles, Blue Vista, Telstar and Centrex. These are the five tour operators, mostly operating out of Toronto.

**Mr. B. Newman:** Did you want to move to another issue?

**Mr. Kennedy:** I wanted to ask one question. It may have been answered. With reference to registration and providing the bond, is this done annually? Is there a renewal? They pay a premium for the bond each year?

**Hon. Mr. Handleman:** They pay an annual registration fee and they pay an assessment into the compensation fund as well.

**Mr. Kennedy:** Which is a renewal of the bond?

**Hon. Mr. Handleman:** No, it is not. They pay a fraction of a per cent of their gross revenues into the fund itself as an assessment.

**Mr. Kennedy:** Where does the bond come into it?

**Hon. Mr. Handleman:** The bond is exercised only on default. In other words, that bond is renewed annually but it's kept.

**Mr. Chairman:** Are there any further questions with respect to the travel business? Let's go on. Have you something, Mr. Newman?

**Mr. B. Newman:** I wanted to ask a question concerning the Rentex operation. I would assume that corporation or company operates in cities other than mine. Is that a legitimate operation or is that sort of a suspect operation? I have received complaints from constituents on that.

**Hon. Mr. Handleman:** It's a suspect operation; let's put it that way. Our problem was—we have to speak about Rentex in the past tense—we had investigated them and compiled sufficient evidence to prepare a cease and desist order; or a proposal to cease and desist. However, the firm has closed down so that any cease and desist is now null and void. In other words, they have stopped doing what we were going to order them to stop doing.

**Mr. B. Newman:** But the firm is still operating, is it not?

**Hon. Mr. Handleman:** No, not to our knowledge. If they are operating, we would like to know. We don't even know of any operations of that nature in the province.

We rely completely on the information given to us by complainants or by people who are in touch with complainants and we can't have tentacles into every activity in the province. If you know of any of these, we would appreciate hearing about them.

**Mr. B. Newman:** I will check when I get home over the weekend. I drive past the office every day and it seems to be operating; whether or not there are complaints from individuals, I don't know. I noticed the city of Detroit has a municipal bylaw which licenses such operations requiring them to provide accommodation within 30 days or refund the moneys.

**Hon. Mr. Handleman:** Of course, we have provision here in the Municipal Act for municipalities to pass licensing bylaws. It is within the power of our municipalities, as far as I know, to license almost any kind of business operation.

**Mr. B. Newman:** Wouldn't it be better, if it is a suspect operation, to control it on a provincial rather than a municipal level?

**Hon. Mr. Handleman:** I said this yesterday, I guess—and I got a little bit of a laugh out of the federal people—their attitude is if it moves, license it. We don't feel that is the way to do it. If it stops moving, you issue a death certificate and that closes the paper work.

Our view is that we really shouldn't be in the business of registering every kind of business activity in the province. We want to provide blanket types of legislation, declaratory law, which covers a vast range of unfair practices and deal with them under that.

If we start registering and controlling everybody who is suspect, whether or not they have done anything wrong, we will be the employer of last resort because all these people will say, "Take over our employees." I don't think we can do that. If we hear of anybody who is operating against the public interest, I think we have the weapons to take action.

**Mr. B. Newman:** That is the only thing I wanted to ask on rentals but I do have questions on others. I will raise them later.



**Ms. Bryden:** I have a question of the minister on the question of home warranties. I understand he has announced that he is bringing in some legislation. I wonder if he can take us into his confidence as to what kind of legislation he is contemplating and how it would fit in or complement the HUDAC home warranty plan which has been announced and is being advertised in the papers. Is he considering making the provision of home warranties compulsory on builders and is he considering including condominiums in such legislation?

[5:30]

**Hon. Mr. Handleman:** Mr. Chairman, without going into the details, because I think it is only a matter of a few days before we bring it in and everybody can have a look at it, I would say, first of all, yes, we have always contemplated a compulsory universal system of home warranties. This attitude on the part of our government and the federal government really resulted in there not being a national home warranty system, because, as you probably know, in Manitoba and Alberta and British Columbia there are voluntary schemes run by HUDAC, similar to the one that HUDAC is running in Ontario.

What we have been able to do is to work with the home builders to develop a scheme whereby they have accepted compulsory universal warranties. The coverage will be pretty well that which is in effect in Alberta, British Columbia and Manitoba. In other words, the coverage for warranty—one year warranty, four years insurance—the warranty covers most structural problems; the extended warranty or the extended insurance covers major structural defects.

On the question of condominiums, as I understand, the present system of the HUDAC warranty is that condominiums are optional on the part of their members. They have not insisted that condominiums be covered.

In our legislation—and I don't know if we finalized that position—we certainly intend that home ownership be covered. Our problem is that on large rental units, for example, you have one sophisticated investor dealing with a builder and we don't feel that he needs the government's protection in dealing with structural defects. He has the protection of the courts and he protects himself by contract. The condominium is usually built the same way. On the other hand, it is turned over, hopefully very quickly, to an individual consumer, so we would like to see coverage in there, and this is the kind of thing that will probably evolve in the committee stage.

At the outset, we certainly intended to have condominiums included, and I am told by our legal adviser that we have continued to include condominiums in the legislation. We have exempted the usual things like summer residences and rental units, things of that nature.

**Ms. Bryden:** That sounds like very good news, Mr. Minister. We will be waiting for the bill. Would mobile homes be included?

**Hon. Mr. Handleman:** Oh yes, we have a definition, of course, in the Assessment Act and we are following that, for those that are on permanent foundations. In other words, as soon as you bring it in and set it up on a permanent foundation it becomes a home and it is covered. Manufactured homes are covered. This is one of the things that HUDAC obviously does not cover at the present time, because none of its members are manufacturers of prefab homes, but we are including those.

As I say, this has been accepted, I think, very well by the home building industry; the idea of it being compulsory and universal has been accepted by them, and I think that our two plans will merge into one very quickly. No problem.

**Ms. Bryden:** Thank you.

**Mr. Chairman:** Mr. Moffatt is next, and then Mr. Kennedy.

**Mr. Moffatt:** I'll be very brief. I gather that during the section on the building code we can deal with specific building problems?

**Mr. Chairman:** Why don't you have that transferred to the Ministry of Housing?

**Mr. Moffatt:** Ms. Bryden has raised the question of warranties and I just wonder if the minister would like to comment on a particular warranty. This is a home warranty which was issued to people in Oshawa in a subdivision known as Harmony Hills by the 247066 Holdings Ltd.—you were talking about numbered companies. Anyway, this is a home warranty and it has several items about inspection and so on, and item No. 6 is the disclaimer clause. It says:

247066 Holdings Ltd. does not assume liability or responsibility for:

(a) Damage due to reasonable wear and tear or damage caused by termites or other insects, fire, lightning, tempest or other acts of God, or through negligence of the occupier of the home.

(b) Conditions resulting from the condensation or contraction or expansion common



to the type and grade of the materials used.

(c) Checking or cracking of plaster or dry wall.

(d) Latent defects inherent in the type and grade of materials used.

(e) Minor depressions in grounds caused by settling of sewer, plumbing or utility ditches or ground grading.

(f) Cracks common to concrete and masonry work.

In no event shall 247066 Holdings Ltd. be liable hereunder for any amount in excess of that necessary to replace or repair the defective material or workmanship.

It goes on and on in the same vein, but the last part is really quite interesting; it reads, "Signed, sealed and delivered by 247066 Holdings Ltd., this 27th day of November, 1975." And it has a stamp on it which looks like an official government stamp. When you look at it really closely, you see that it says, "Ontario Corporation," and that it's the corporate seal of the company.

I don't know what to say. I visited the subdivision, and everything that is wrong with the construction is disclaimed as a result of that particular clause. Now, in the line of consumer protection or whatever, is there anything that can be done with that kind of thing?

**Hon. Mr. Handleman:** I am going to let Mr. Ciemiega deal with the details of that, but one of the questions I would like to ask is, did the home buyer sign that?

**Mr. Moffatt:** There is no signature on it at all, other than "Robert J. Rosen, Secretary."

**Hon. Mr. Handleman:** Again, I am not going to be in a position of giving legal advice—I never have—but it sounds to me as though there has been a unilateral offer of a piece of paper or something the same as the car manufacturers give you, and I know my friend here would probably say to them that it doesn't limit the buyer's rights in any way. They've tried to disclaim responsibility; but you can't disclaim responsibility for your legal obligations.

**Mr. Moffatt:** Exactly.

**Hon. Mr. Handleman:** Okay. But then I will let Mr. Ciemiega deal with the legal obligations.

**Mr. Ciemiega:** All I can say is that when our legislation is introduced, it will make

every warranty statutory and mandatory, and any agreement anywhere to the contrary will just be invalid; so that piece of paper wouldn't be worth the paper it's written on.

**Mr. Moffatt:** I didn't think it was worth that much either. Is it possible for these people, who are in this unfortunate circumstance—once again, these are people who make a down payment on the basis of a picture of a home or a model home and then, some months later, the construction is supposed to take place and occupancy is determined by the agreement they sign and so on. Once they have done that, it seems to me they are locked into the purchase. They have put a substantial sum down—and in some cases not so substantial, but still to them it's substantial—and they wind up in a home which they cannot seem to get fixed.

Aside from the construction details, which every person moving into a home accepts as being reasonable—you know, if there's paint splattered on the window, you call and, hopefully, within a week they come back and scrape it off—when you go into these places and find the floor boards broken because they were too thin and so on, and I have got a list of them I want to bring to the minister's attention later, what sort of recourse do they have?

One of these people in the subdivision—there are about 75 homes—is attempting right now to bring suit against the builder, the developer and so on, but he's having great difficulty doing that. Not being a lawyer, I don't know. Just where do they go?

**Mr. Ciemiega:** I think you have to sympathize with the individual, but once he takes possession, he's in a heck of a difficult position. That, I guess, is one of the reasons we are going ahead with the legislation. The legislation is geared to cover situations of that sort and provide redress for the home purchaser.

**Hon. Mr. Handleman:** I think you are aware, Mr. Moffatt, that some homeowners—and I think there was a story in today's Star about suits against a particular builder in an area where the homeowners have banded together; they are suing individually, of course, and they are getting varying judgments and settlements out of court.

In other words, the amounts of money that are awarded depend on each specific case, but obviously until we have legislation, there is nothing we can do to help, other than to say to consult a good lawyer under these circumstances.



We can attempt to mediate. For example, if it happens to be a HUDAC builder, we have found that very few of the problems we have in the housing field arise from members of HUDAC, the Housing and Urban Development Association of Canada. They do try to keep their own shop clean. I think it's something like 15 per cent of the builders who are not members of HUDAC, and I think they account for about 85 per cent of the complaints that we get; so there is a direct relationship here. This is why we are so pleased about HUDAC going into the warranty scheme with us. They're going to have an opportunity to help clean up the rest of the industry and they've been asking for it.

**Mr. Moffatt:** Is it not misleading, to say the least, that a company gives out a warranty such as this to people and, really, it doesn't mean anything? The word "warranty" is bandied around all over. The Law Reform Commission went into great length on warranties.

**Hon. Mr. Handleman:** I think one of our problems under the Business Practices Act is that houses are not considered to be goods. They are obviously not services. I suppose you couldn't say that if the home buyer claimed he bought the house on the grounds that he relied on this warranty that he could seek recourse under the Business Practices Act. This is one of the reasons why, as I say, we have broad legislation and we find things that don't fit within it. The home warranty is one of those, so we're going to have to have special legislation.

But the best advice that our people usually give under these circumstances is get to a good lawyer fast. We'll try to mediate if we haven't done so already and we do the best we can. Sometimes the home builders do listen to our mediators and provide proper redress to the home buyer, but not always.

**Mr. Moffatt:** I don't want to misquote you, but did you say that where a person can swear an affidavit or provide reasonable proof that he bought the home and assumed its condition on the strength of the warranty that that gives him some recourse under the Business Practices Act?

**Hon. Mr. Handleman:** No, it doesn't simply, because houses are not considered to be chattels or goods.

**Mr. Kennedy:** Mr. Chairman, I have a similar horror story that just hit my desk today: Edelweiss. Are you familiar with it? I have eight or nine pieces of correspondence. I

don't want to read them all, but it points out where the ministry, in bringing forward whatever is brought forward, should zero in. I suppose every member has a few letters over the years on shoddy workmanship and unfinished houses and this type of thing.

This fellow, Mr. Kelly, bought a house in the fall of 1974 and the correspondence starts in January, 1975. He got a response to his first letter where he listed the deficiencies. I just want to make reference to this, which may be of interest:

In reply to yours of the 10th, we would advise as follows: It is not our intention to ignore your problems as you've suggested in your letter. However, due to pressures and other immediate closings of transactions and due to the imminent holidays, we have been slow in getting around to your problem.

This is Jan. 15. I'm not sure what imminent holidays come there.

An hon. member: Easter.

**Mr. Kennedy:** Easter, I guess.

We have by no means intended Mrs. Kelly should be inconvenienced in awaiting our man to come in, but as you know we have been in touch with Mrs. Kelly on a number of occasions but due to the fact she was either ill or not in we were not able to go and do the repairs as required.

If you would be kind enough to advise what date we may go in and do the necessary repairs, we'd appreciate same and we would also appreciate it if you would make arrangements to go over the house repairs personally with the writer at that time.

Please be advised we will fulfil our part of the contract as set out and will guarantee all workmanship for the full one-year period from the date of closing of this transaction.

If I got a letter like that, I'd feel pretty good that something might happen.

That's January, 1975, I'm talking about. He responded and said, in fact, his wife wasn't ill. That's the first he'd heard of that. As far as he knew she wasn't sick. It goes on and on. This man wrote to the Ombudsman, incidentally, and didn't get a reply. But I notice the—

Interjections.

**Mr. Kennedy:** Before everybody gets amusement from that, the letter to the Ombudsman was dated Jan. 14, and I conclude the one at Station A would be the CBC Ombudsman, so our Ombudsman—



**Mr. Drea:** In 1975? Our Ombudsman wasn't around.  
[5:45]

**Mr. Kennedy:** —wasn't around, so maybe he should get this letter.

Anyway there's a lot of correspondence about it. The deficiencies include a cracked basement, foundation cracked, roof and ceiling sagging, faulty trusses, all the windows leaking, concrete not finished, construction mortar to be removed, electrical wire overheating, exposed electrical wires and insulation deficient.

The house was sold to us with 6 in. insulation; there was only 2 in. I paid to have an additional 4 in. installed. Duct and drain have been fixed by myself.

The list goes on and on, and we're talking about a \$180,000 purchase and it's just unbelievable that in this moment in time that we still don't have protection. That's what he told me on the phone. It was something less than \$180,000 at the time he purchased, but there were additions I guess.

As you will observe from the correspondence [he sent a covering letter] I have contacted the Superintendent of Building, Mississauga, Mr. Sidney Handleman, the Real Estate Board and the Better Business Bureau, and to cut a long story short, everyone agrees we're not being treated fairly but they keep passing the buck and suggest that I go see my lawyer. I'm sure that after reading the correspondence you will feel that some action should be taken by the proper authorities rather than me having to spend additional money.

It's just been on and on a year and a half, you see.

So, I guess my first question is, if we do get warranty legislation, Mr. Minister, could it be applicable to situations such as this? We bring it forward because we've received this correspondence. With all the building in Mississauga, I must say there's a minimal number of complaints, so I guess we're really talking, in a way, about retroactivity. The work was to be done and yet it's an existing problem with these people—shoddy builders that don't measure up. These are very, very fine looking homes in a good section. I was quite surprised to learn—

**Mr. Drea:** Why don't you read the name of the company and make sure nobody else buys again?

**Mr. Kennedy:** I did, Edelweiss—Mr. Orovits, from Agincourt.

We come to the matter of licensing; you haven't discussed this, and really, I suppose, 90 per cent of the problems, even more, are caused by maybe 10 per cent of the builders. We're saying 10 per cent cause 90 or 95 per cent of the problems. Can't we weed those out or do something to put the heat on them?

**Hon. Mr. Handleman:** First of all, I want you to know that our legislation can't be made retroactive.

**Mr. Kennedy:** When would be a start date, Mr. Minister?

**Mr. Moffatt:** You have an uncompleted house, I know.

**Mr. B. Newman:** It will never be completed.

**Hon. Mr. Handleman:** I don't know how we can retroactively register somebody to do something he's already done, but one of the concerns I do have and the remark of your constituent, Mr. Kennedy, is one that really concerns me and I hold no brief whatsoever for the legal profession and I want you to know that. But it does concern me that when we tell people to consult their lawyer, they take this as passing the buck. Surely in our system of justice—

**Mr. Drea:** One that was mentioned earlier—

**Hon. Mr. Handleman:** —this is the kind of thing that people are well advised to do when they're dealing with that kind of money.

You know, it's not a small claims court matter. We encourage consumers with small claims to use the small claims court rather than having it be completely a collection agency, which is what it's turned out to be. Businessmen use the small claims court but consumers don't. But when you're dealing with this kind of thing, certainly this person wouldn't have bought the house without a lawyer, and I would suggest when you get into that kind of a thing, when every type of approach that he's made has failed—and probably for good reason, that there simply is no legislation, and this is not any great consolation to him, but there isn't any legislation other than the law of contracts, whatever it may be.

**Mr. Drea:** I've bought three houses in my time and I've been clipped three times—every single time—and I raise this. There's no question that we need warranty legislation in this province. All right. I say I was



clipped; it was in diminishing returns. After the first one you know what to look for in the second one—you know, you handcuff the bum to the door and make sure he does it and that kind of thing.

Why is it that every time you go back to your lawyer and you say, "Look, the guy didn't do this, the guy didn't do that"—that the lawyer tells me it is not just me, but it is virtually everybody who has bought a new house? They go back to the lawyer and they say, "Look, get this guy to do what he said he was going to do." The lawyer writes a letter, okay. Then the lawyer says, "Well, I tell you, if we really went after him, it would be pouring good money after bad. You might as well just take your losses, and that's the way it is."

I think maybe that's the answer. When you are told to see your lawyer, you're going to get one letter sent out and then you're going to be told, "Well it's just"—I just wonder, where have the lawyers been? They draw up these contracts. They draw up these one-year warranties. They are all done by a law firm. The other lawyer says, "Yes, it's a good deal." He checks the title, etc. You go to him and tell him that you've been clipped, and the lawyer says, "Well, you know"—No, I really wonder.

**Mr. Kennedy:** He was told by someone here.

**Mr. Chairman:** Maybe I can reply to this reply. My first and preliminary answer, Mr. Drea, is I don't give legal advice without getting paid. Secondly, you're perfectly right. But in a case of the kind in question, can you imagine what it is going to cost this fellow? I think it is a perfectly legitimate case and can be fought and can be won. The expert witnesses have to be called in. It's enormously expensive. A lawyer wouldn't accept a thing like that, I suspect, for less than \$5,000 to get started. Lawyers will soon take the case, but can the fellow afford to pay?

**Mr. Drea:** Okay, this might be true of a structural defect, but why is it on something where a guy has made an agreement? I get these all the time: He is to sod the front lawn; he just doesn't sod the front lawn. Now, you're talking about a couple of hundred dollars for sod. But lawyers say, "Oh well, by the time we found them, it wouldn't be." Okay, but I notice other things with monotonous regularity with the law profession. When the little lady started offering her cut-rate divorce kit in the papers, where you

don't need a lawyer for a divorce, my God, they had half of Osgoode Hall outside our building taking depositions, photographs, the whole bit.

**Mr. Chairman:** It's a question of costs that are atrocious. It would cost \$500 to have your \$50 lawn sodded.

**Mr. Drea:** Yes, but you get the costs from the—

**Mr. Chairman:** You pay the lawyer \$500, or pay the sodder \$500. So the lawyer says, in terrible honesty, "I don't want your \$500; pay the sodder."

**Hon. Mr. Handleman:** Before we rise, I would like to answer the rest of Mr. Kennedy's question about how we weed these people out of the industry.

**Mr. Kennedy:** Could I just put the one point here? He is advised to pay for the finishing of this work, which could run into thousands and thousands of dollars, and then sue them. Did you ever hear of anything so ridiculous?

**Hon. Mr. Handleman:** As I say, our legislation is late, but it would be effective in dealing with that. But the way that the bad builder will be kept out of the industry under the legislation is the fact that structural defects of that nature would be covered by insurance. The insurance company, obviously, is going to keep pretty good tabs on this to determine who are the bad builders. They will be reporting to the council, which is administering the plan. The council can deregister any builder, subject to appeal to the commercial registration appeal tribunal. But they would have the power, just as we have the power under all these other Acts, to deregister people who we feel are not performing satisfactorily in the industry.

**Mr. Kennedy:** How is this going to fit with their own municipality? You see, he brings in Keith Cowan, the building inspector who runs this, and evidently the municipality is powerless.

**Hon. Mr. Handleman:** The municipality at the present time is powerless. Once they have issued the building permit, they're out of it. They do some inspections to ensure that it is being built in conformity with local bylaws, but they can't deregister or stop a builder if he has a piece of land that's zoned properly. He can go and demand a building permit, and they have to give him one.

**Mr. Kennedy:** And if the walls call for 8 in. blocks, and he puts in 8 in. blocks, that's his



responsibility fulfilled — even if there are cracks all through it.

**Hon. Mr. Handleman:** That's right. Workmanship is really not their concern. It hasn't been CMHC's concern in the past, as you know. So, we hope that the new inspection procedure under this Act will result in better workmanship and, as a result, better houses and few claims of that kind.

**Mr. Chairman:** Permit me to say one other word with respect to this. It's not the lawyer's job to be an inspector of properties or to act as an architect. He guarantees the title, there is a certain document; and if he is at all wise he instructs his client to inspect it thoroughly, to bring in expert and qualified people to look at the house before he occupies it. He does all these things; if that is not done—and most people are so anxious to move in they'll take their chances—the chances accumulate afterwards. We do need a warranty. It's the only way of protecting in contemporary society. That's all there is to it.

**Mr. Kennedy:** You forgot to say — far be it from me to defend lawyers; they are capable of doing that themselves — in many instances, in most instances I would say, the solicitor doesn't know anything about it until he gets the completed offer set before him.

**Mr. Chairman:** That's perfectly true, too. Is there any further discussion with respect to business practices?

**Mr. B. Newman:** Yes, unless you want to adjourn for the day?

**Mr. Chairman:** I think we should, because I have some stuff to do.

We're going to meet tomorrow, if that's satisfactory to all concerned? Lawlor is a slave driver. Tomorrow afternoon and tomorrow evening.

**Hon. Mr. Handleman:** First of all, there was an agreement—

**Mr. Chairman:** I'm sorry. If there is an agreement—

**Hon. Mr. Handleman:** We agreed to meet tomorrow afternoon.

**Mr. Chairman:** All right. We'll meet tomorrow afternoon. We will not meet either tomorrow night or Friday morning.

**Mr. Moffatt:** Mr. Chairman, we agreed earlier in the week, on the first day we sat, that it would be tomorrow afternoon only. Not tomorrow evening and not Friday.

**Mr. Chairman:** That's right.

The committee adjourned at 6 p.m.



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 Bryden, M. (Beaches-Woodbine NDP)  
 Drea, F. (Scarborough Centre PC)  
 Grossman, L. (St. Andrew-St. Patrick PC)  
 Handleman, Hon. S. B.; Minister of Consumer and Commercial Relations (Carleton PC)  
 Kennedy, R. D. (Mississauga South PC)  
 Moffatt, D. (Durham East NDP)  
 Newman, B. (Windsor-Walkerville L)  
 Reed, J. (Halton-Burlington L)  
 Warner, D. (Scarborough-Ellesmere NDP)

**Ministry of Consumer and Commercial Relations staff taking part:**

Caven, D., Registrar, Travel Industry Act  
 Ciemiega, E., Director, Legal Services, Ministry Management Secretariat  
 Gilchrist, H. N., Motor Vehicle Accident Claims, Financial Institutions Division  
 Howard, B. C., Executive Director, Companies Division  
 Molyneux, G. T., Consumer Advisory Services, Business Practices Division  
 Ozolins, H. H., Companies Services, Companies Division  
 Thompson, M. A., Executive Director, Financial Institutions Division  
 Weinstein, I. B., Commercial Registration, Business Practices Division  
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Ontario. Legislative Assembly

# Legislature of Ontario Debates

[SUPPLY COMMITTEE]—1

**ESTIMATES, MINISTRY OF  
GOVERNMENT SERVICES**

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

**Thursday, May 13, 1976**

**Afternoon Session**

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

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THURSDAY, MAY 13, 1976

The committee met at 3:11 p.m. in committee room No. 1.

#### ESTIMATES, MINISTRY OF GOVERNMENT SERVICES

(continued)

**Mr. Chairman:** Item 5, vote 801. I believe Mr. Norton is the first to take the floor.

On vote 801:

**Mr. Norton:** Thank you, Mr. Chairman.

Perhaps, at the outset, I could say I don't have any questions I wish to direct to the Hon. Mr. Brunelle. I think it has been generally agreed by this committee that he, in his role as Minister without Portfolio, continues to make a very important contribution to the deliberations of the executive committee of this province and to the people of the Province of Ontario.

I would like to direct a couple of questions to the Hon. Mr. Henderson, if I may. These arise generally from questioning during the last meeting of this committee. Perhaps, for the information of the members of the committee, Mr. Henderson could indicate when he was first elected to the Legislature of Ontario.

**Hon. Mr. Henderson:** September 25, 1963 at about eight o'clock in the evening.

**Mr. Norton:** I wish I could be so certain of the time when I was first elected.

**Hon. Mr. Henderson:** It was a very rainy night. The votes came down in the shower.

**Mr. Norton:** Prior to your first full-time involvement in provincial politics, what was your political involvement and experience in the Province of Ontario?

**Hon. Mr. Henderson:** At the municipal level I was first elected to the township council in 1946 followed by Lambton county council 1950. I served eight years on the Lambton county council and was warden of the county in 1957.

I was appointed assessment commissioner in 1958 and completed six assessment rolls from 1957 to 1963.

In 1959 I was provincial returning officer for the riding of Lambton-Kent and federal returning officer for the riding of Lambton-Kent in 1962. In April, 1963, I was again the returning officer.

The Tory sitting member was defeated in 1962 and the Liberal sitting member in 1963. We ended with a 15-vote majority for the Tory member. This, as a result, involved a recount. We had several weeks involvement at that time. That has been my public experience.

**Mr. Norton:** Thank you. As the last question, and it may seem unusual to you and the other members of the committee, but I have a purpose in mind, what was your main source of livelihood during the time you were involved in municipal politics?

**Hon. Mr. Henderson:** Through the years I have had a mixed farming operation in Enniskillen township in Lambton county, on 250 acres of land. I grow any type of crop you wish to grow.

[3:15]

**Mr. Norton:** Now do you think it would be fair for me to say of all of the members of the provincial cabinet at the present time, there is probably no one who has the unique experience in terms of background that you have just described to the committee?

**Hon. Mr. Henderson:** With the exception of people like Jack Spence and Ron McNeil, I would think I have about as many years public service as anyone. I look on Jack Spence as my senior. Ron and I are about equal; he has more provincial than municipal.

**Mr. Norton:** Mr. Chairman, I realize it's not primarily the function of the members of the committee, or those speaking, to editorialize, however I have observed that there has been some up to this point. In conclusion I would like to make some comments.



It seems to me that most of the members of this committee, including the hon. member for Sarnia (Mr. Bullbrook), are well aware of the traditions followed in this country, not just in this province when forming cabinets. I speak, not as someone who is experienced either as a member of the Legislature, or as one who knows the ins and outs of forming cabinets, but as an observer. I think it's fair to say one of the objectives governments have striven for in this country is to ensure the greatest breadth of representation possible, at not only at the level of membership in the Legislature but also at the higher level of policy deliberations that take place in the cabinet.

I think it's clear the hon. minister has had unique experience, in addition to the special duties he may be assigned by the Premier of this province (Mr. Davis), to bring to bear on cabinet deliberations. To suggest, as was suggested by some members of this committee the other night, or at least to bring into question the contribution, appears to be questioning the validity of having active and strong representation for a very broad section of the populace of this province at a high level of policy consideration.

I think it would be fair to say the constituency of this gentleman is much broader than perhaps any one of us individually could ever lay claim to in terms of the people represented and in terms of experience; and that's not anything for us to be defensive about, like Mr. Bullbrook was the other night. I think there are certainly times when we might be overshadowed by someone of greater experience in a neighbouring riding whose stature in the community is greater than ours by virtue of experience and longer service to the community.

It's most unfortunate when that gives rise to the type of defensive accusations that were evident in this committee the other night. I would even go so far as to say we should not view our representation so defensively. I would be quite willing to acknowledge there is a member of another party in a neighbouring riding to my own who quite justly represents the point of view of some of my constituents whom I could not represent as well as he does. By the same token, I think I represent the point of view of many people from his riding in a manner he likewise couldn't offer.

I think the attack taken the other night by some of the members, and particularly the hon. member for Sarnia, was most unfortunate. To call into question the validity of the contribution of this gentleman to the services

of the people of this province was uncalled for. Thank you.

**Mrs. Campbell:** Mr. Chairman, as I indicated when we rose the other night, I have no question of the Hon. Rene Brunelle. He has outlined his function. I think it is a function which is traditional in such an appointment. I have only one question of him. In discussing his function he told us he was involved in the justice field. The question I am putting to him is this: He has sat in the House, I know, and heard our member, Albert Roy, question the government and the justice ministry on the matter of the translation of court documents, particularly in the criminal courts, into the second language of this country. I wonder if the minister does have any thrust, because of this function in justice, in trying to ensure that this will in fact come about.

Does he find it as difficult as the various Attorneys General have indicated it is? Could he describe for us what the problems are, if that is the case? I find it most difficult to understand. I am sure he shares with Albert the concern in this area. Perhaps he could answer to that.

**Hon. Mr. Brunelle:** Mr. Chairman, the point raised by Mrs. Campbell is a very good one. It's a point that has been raised by Mr. Roy, and also one that the French-speaking association have been bringing to the attention of the cabinet, and especially the social policy field, at their annual meetings over a period of years. They have been raising this question of documents being translated to the French language and also the very important matter of introducing bilingual courts in those areas of the province where there is a large French-speaking population, mainly in eastern Ontario, Prescott, Russell and in my riding of Cochrane North.

**Mrs. Campbell:** It's very difficult in Ottawa as well.

**Hon. Mr. Brunelle:** Yes, in Ottawa.

As a result of representations made by various French-speaking organizations, and I also supported this, I believe the Attorney General (Mr. McMurtry) indicated he would carry out a pilot project. I'm not sure whether the areas have been selected. The areas that were being considered were, I believe, Sudbury, and also La Reine near Hawkesbury; and possibly a third, but mainly those two areas.

The problem about bilingual courts, I am told, is when there are appeals and also in



matters concerning the statutes. There are, apparently, some problems, but the Attorney General has looked favourably on this. It is my understanding that they are in the process of designing the pilot, selecting the area or areas, and finding the suitable bilingual personnel. This is being done.

Also, I believe most ministries are presently making an assessment of what documents are now in the French language and what documents should be in the French language. This review is under way at the present time.

In reference to courts, I have criticized our own government for translating into English all actions in those areas such as Hearst in my riding where the judge is French-speaking, the Crown attorney is French-speaking, all the lawyers are French-speaking and the constituents are 80 to 90 per cent French-speaking. As I said, Mr. Chairman, this matter is being given serious consideration.

**Mrs. Campbell:** Thank you, Mr. Chairman. I did make specific reference to documents. I'm thinking of any documents, particularly as they apply to the criminal or family courts, which at that level are provincial in jurisdiction. I wasn't actually looking at the court itself. It seems to me it has to start with the documentation. We have been told consistently by various Attorneys General—one I can remember most clearly in the statements is the one who preceded our present Attorney General—

**Hon. Mr. Brunelle:** Mr. Wishart?

**Mrs. Campbell:** No, Mr. Clement. He said it was not easy to word these documents in French. I can't understand that. I used the word translation, but I also wondered if that was correct, because it might have to have a certain interpretive kind of language which wouldn't be just a direct translation. But I don't understand why it is so difficult. Has there been, or have you been privy to any kind of discussion with the Minister of Justice in Quebec to see how this could be overcome?

**Hon. Mr. Brunelle:** I know, Mr. Chairman—

**Mrs. Campbell:** Summonses shouldn't be.

**Hon. Mr. Brunelle:** —that there have been documents requested from the Province of Quebec and the Province of New Brunswick; all their bilingual documents, especially as they relate to the courts. I believe they have been made available to the Attorney General.

I would like to mention also, Mrs. Campbell, that the Ottawa Children's Aid Society, when I was in my previous responsibility as Minister of Community and Social Services, requested that the Children's Institutions Act be translated into French. As the hon. member knows, Ottawa has a large francophone population. It is my understanding this is in the process of being done, covering the regulations and the statutes. This would be of assistance also to the family courts.

**Mrs. Campbell:** If I may suggest, it is really rather long overdue. If we believe in the doctrine of natural justice, and I think we do—at least we do—then it seems to me there has to be the beginning of the process at that level. I will be happy to pass along the answers to Albert Roy. Thank you, Mr. Minister.

I now turn to the matter of the second Minister without Portfolio. Here I have very, very grave reservations. The minister said that he processed all legislation to speed it up. He subsequently made a statement that seemed to indicate to me, perhaps I misunderstood him, that it was within the Resources Development field, because he spoke about getting it to the Resources Development people on Thursday sittings. Could I have clarification as to whether we are talking about one policy field or whether, in fact, he is speaking about all legislation?

**Hon. Mr. Henderson:** No, I was speaking of all legislation, Mr. Chairman. Resources Development committee meets every Thursday morning from 9 o'clock until 1 o'clock. The legislation I spoke about comes under my duties with the House leader. That committee meets every Monday morning. Following that, I approach the other ministers to get legislation in process to get it in the House. The legislation part is with all ministers.

**Mrs. Campbell:** I see. As I understand it, one of your functions is to advise. To what extent do you advise the social service field, or what we call the welfare field?

**Hon. Mr. Henderson:** As you know, I am not a member of that committee, Mr. Chairman. That is not part of—

**Mrs. Campbell:** Then what do you do with their legislation, or what would your function be? Not to have input into it, I take it, but—

**Hon. Mr. Henderson:** Wait a minute. We have our input at cabinet level.



**Mrs. Campbell:** I see. So that you have your input with—just as with all the other cabinet ministers.

**Hon. Mr. Henderson:** That is right.

**Mrs. Campbell:** There is no specific input that you have, save and except in the Resources Development field; is that fair?

[3:30]

**Hon. Mr. Henderson:** Well not exactly. There may be some particular issue of concern that I have picked up from meeting with a delegation. Mind you, I met with three different groups of Children's Aid Societies and they had certain suggestions for me. I conveyed those direct to the minister concerned. I had the input from that level, from individuals throughout the province.

**Mrs. Campbell:** You mentioned the matter of highways, and I was interested in that particular reference, because you may recall—and this was not while you were a Minister without Portfolio, so there is no blame, if you like, attached to you in this—that there was a good deal of discussion about a certain highway route which was changed, and it seemed as a result of that to accommodate a certain well-known Tory in the province. With your vast experience in the Conservative Party and your interest in highways, do you have any input into any changes that might be made in highway proposals?

**Hon. Mr. Henderson:** I would have to suggest to you that the highways ministers have been very co-operative and they have an open door for suggestions. I would suggest, from all members of the House. That's been my finding of all the highways ministers during my time around here.

**Mrs. Campbell:** So we can take it that your answer is in the affirmative, and that you would, in fact, have input into changing the routes of highways as a result of—

**Hon. Mr. Henderson:** No, no; I won't let you go that far.

**Mrs. Campbell:** Oh, how far do you go?

**Hon. Mr. Henderson:** I'll let you go as far as saying the minister has an open ear and is available to listen to any proposed changes. I'm not sure which highway you were referring to.

**Mrs. Campbell:** It had nothing to do with you in your capacity, no. I just mentioned it as a for instance.

**Hon. Mr. Henderson:** Because there's a major highway running crossways in my riding and the route was changed in another riding about a month ago, but it was recommended by the staff of the Ministry of Transportation and Communications that it would be a better route. That is Highway 402 in Middlesex county. There were some changes made in the proposed route, but at the recommendation of highway staff. Mind you, I was sitting in our policy field when that was recommended to us.

**Mrs. Campbell:** So you would say that you have a reasonably strong voice in what might be deemed by those who are not particularly following the Tory line to be a political decision with reference to highways?

**Hon. Mr. Henderson:** I would hope that any input I had is for the good of all the people of Ontario as far as the minister is concerned.

**Mrs. Campbell:** Oh I think that's what the opposition would hope too. We're just trying to ascertain whether, in fact, that is the case.

**Hon. Mr. Henderson:** Yes, that is the case, it's for the good of all the people of Ontario.

**Mrs. Campbell:** You did, graciously, give me the copy of the invitation which you received, I take it, through the Premier?

**Hon. Mr. Henderson:** On a personal call on the phone from the Premier.

**Mrs. Campbell:** And the author of the letter, you say, is Frank Klees, who was a defeated candidate in a riding.

**Hon. Mr. Henderson:** That is right, well known in western Ontario. Not well enough known though.

**Mr. Ruston:** Not too well known at all.

**Mrs. Campbell:** I think you said—and please correct me if I'm wrong—that about two-thirds of your journeys forth across the province were into the opposition ridings.

**Hon. Mr. Henderson:** Yes, I believe I said that. I did say that, yes.

**Mrs. Campbell:** May I then share with you, and I don't wish to be unfair, the concern that I think I'm not alone in expressing, that in fact unlike the Hon. Rene Brunelle your activities are far more partisan political? We are simply expressing a concern that in times of restraint this is the kind of activity that might more properly be funded through your



party funds rather than through public funds. I do wish the Minister of Government Services (Mrs. Scrivener) would not prompt. I would like to have the answer from you, if I may.

**Hon. Mr. Henderson:** I have no problem answering you.

**Mrs. Campbell:** No? I have been assuming you have, and I am sorry about that.

**Hon. Mr. Henderson:** I always welcome the advice of the hon. minister; she is very helpful to me in my several different duties.

**Mrs. Campbell:** I am sure.

**Hon. Mr. Henderson:** No, I would have to differ with you, Mrs. Campbell. Let me first explain that of 20-odd ridings in southwestern Ontario, the PCs hold six of them. So if I am going to scatter myself over that portion of Ontario, how can I help but make two-thirds of my visits to non-PC ridings? We have six, you and the New Democrats have 14, about two to one. So that is what I am basing the fact that two-thirds of my work would be in opposition ridings; you hold perhaps two-thirds of the ridings.

**Mrs. Campbell:** And that would need concentrated work in the light of your statement that you are there with the responsibility for things to come?

**Hon. Mr. Henderson:** With the responsibility of collecting information out of those ridings on what is good for the people of Ontario.

**Mrs. Campbell:** But it wouldn't occur to you that perhaps you might get equally valid information from the people who represent the people in those ridings?

**Hon. Mr. Henderson:** It might be a little bit partisan.

**Mrs. Campbell:** I'm dumbfounded. That is a classic answer when we look at your portfolio, or lack of portfolio.

I feel very strongly about this. I'm not a member of the committee. I would suggest that if I were I would like to see this part of this particular vote stood down so that the Premier might answer to us as to the functions. I have very grave misgivings about the propriety of public funding for this particular minister.

I have also read the transcript, and I must ask the Minister of Government Services—in fairness, I think she tried to withdraw from her statement—but she did say that she had

satisfied herself that the staff allocated for both of these ministers—I'm not questioning at all that of the Hon. Rene Brunelle—was commensurate with their duties. Could I ask, having listened to what has gone on here, if she is still making that statement or whether she wishes to withdraw? She did withdraw, as I take it, and say that she had no right to make those observations.

**Hon. Mrs. Scrivener:** Mr. Chairman, of course it is perfectly true I pointed out to the committee I had no right to make the statement. I was expressing a personal opinion, that was my personal evaluation.

**Mrs. Campbell:** This is where—

**Hon. Mrs. Scrivener:** Excuse me, and I do stand by my opinion. I haven't changed it.

**Mrs. Campbell:** Whether you had the right to it or not, that doesn't matter. I think we're into a situation where, with the greatest respect to all concerned, we in this committee cannot hope to be satisfied without some reference to the Premier himself. Since I am not able to move any motion, I simply throw that out, because I feel there has been a fudging in this particular estimate and we are unable to get the full force and effect of the operation of this minister and his staff.

**Mr. Wildman:** I have only one question of the Hon. Mr. Henderson. I understand that what you are telling the committee about your function is that because of the dearth of Tories elected in southwestern Ontario, you have been given the responsibility by the Premier to deal with problems, in a wide range of fields, that are presented through you to the cabinet by people who may not wish to go through their elected representatives in dealing with the government of this province. Is that correct or am I being too partisan when I quote you?

**Hon. Mr. Henderson:** I had hoped you would be a little bit partisan. That's what you are more or less elected for.

I would have to answer you that I think, as a member of the government, we have a responsibility to listen to the people. You, as their representative, have an opportunity to present your political views within the legislative assembly and we think that we have a responsibility to place ourselves before the people periodically to see the other side as well.

**Mr. Wildman:** I don't debate that. If that is the case then I would argue, of course, that the views of the people in those areas,



I would hope, are adequately represented by the people who were elected to represent them. If that is not the case, then they can, of course, be replaced next time by the people.

But be that as it may, I am interested in whether it would follow that other ministers within the cabinet, in other areas where there is a dearth of Tories, for instance northern Ontario, have been given the task of dealing with the problems in opposition ridings in the same way that you deal with them in southwestern Ontario?

**Hon. Mr. Henderson:** I would hope they would bring in the feelings they pick up within the surrounding areas. Mr. Bullbrook suggested the other night that in the case of quite a number of the letters he receives, a copy is sent to me. Sometimes these letters request a meeting with me. I think he brought it out quite clearly. I get this from all around the area; but Mr. Bullbrook brought it out so that's a pretty good sample of the local situation.

**Mr. Wildman:** All right, I don't intend to pursue this further except to comment that in certain areas of the province, perhaps Mr. Henderson's activities in opposition ridings are not what they are in southwestern Ontario. Perhaps it is not such an unusual activity for a cabinet minister in other areas of the province as well.

I have a couple of questions for the other Minister without Portfolio, Mr. Brunelle. Of special interest to me, coming from the north, are your responsibilities for native problems. I would like to ask a few questions on that. Can you give us some idea—and I am not questioning that responsibility, I think it is a very important one—but can you give us some idea of the kinds of things and the activities that you have carried out in that responsibility since your appointment?

**Hon. Mr. Brunelle:** May I first say that my riding of Cochrane North has a large Indian population. I think there are about 20 bands, mainly on the west coast of James Bay and Hudson Bay. I was Minister of Lands and Forests for close to six years and that ministry, as you know, now called Natural Resources, has very close relations with the native population. Then, when I was Minister of Community and Social Services for four years, the Indian secretariat came under that ministry at that time. So again I had a certain amount of responsibility toward the native people. It was felt by the Premier that there should be—a highlight

of this, I think, was undoubtedly demonstrated at the two Indian reserves, Grassy Narrows and Whitedog, that are severely affected by mercury contamination, where various ministries are involved, Health, Natural Resources, Environment and other ministries—it was felt, to continue, that maybe there should be some sort of co-ordination, and with that in mind the Premier appointed me co-ordinator of native affairs.

[3:45]

In the province the Grand Council Treaty No. 9, Grand Council Treaty No. 3, the Union of Ontario Indians and the Allied and Iroquois Indians Association are the four main organizations. The presidents of those four main organizations have established a committee. They in turn meet with our advisory committee, which is comprised of the three deputy secretaries in the three policies fields; along with the Deputy Minister of Culture and Recreation and an assistant deputy minister of Treasury and Economics because there is a federal-provincial relationship on native matters. We all meet periodically.

Also, I've had several meetings with the other Indian organizations, such as the Ontario Métis and Non-Status Indians and the Ontario Friendship Centres. For instance, this morning I spent over an hour with the new co-ordinator of the Grassy Narrows and Whitedog Indian reserves. Every Friday morning the advisory committee comprised of the three deputy secretaries I mentioned meets from 11 o'clock, usually until about two or three o'clock in the afternoon, depending on the agenda. That is my main function.

I'm involved too in dealing with individual Indian bands or any native organization or person who so desires. It's strictly a co-ordinating, liaison role. If it's something to do with highways and they find they need more assistance in getting a road built, they can contact me.

**Mr. Wildman:** Good, I'm glad you clarified that. I'm wondering, do you see your position as being one of an advocate for the native people in the province in their dealings with the government?

**Hon. Mr. Brunelle:** I would say so. I also would say that at the present time, not only in Ontario but in other provinces as well, there is a lot of confusion as to matters of jurisdiction, federal and provincial. I've had correspondence also, but I haven't had any meetings yet, with the federal minister, Mr. Buchanan. It is my intention, I've written



to him about it, to meet sometime in the future to try to clarify some of our respective responsibilities as far as jurisdiction, provincial and federal, goes.

**Mr. Wildman:** Just recently were you involved in the trip and the study in your riding of the Kashechewan situation. Can you give us any information as to what the situation was and how the government views it?

**Hon. Mr. Brunelle:** That's right, this matter was discussed recently by our government. It has been decided that the Ontario government will give a grant of \$50,000 to a disaster relief committee comprised mainly of the chief of the Indian band of Kashechewan, and two of the councillors along with the Rev. Clark. The Anglican Church has been very helpful. It more or less spearheaded this relief drive. I understand the federal government will be responsible for the actual damage to the houses—this is an Indian reserve—and the assistance we are giving will be of great value for personal goods that are being lost, such as snowmobiles, canoes and personal items.

**Mr. Wildman:** Would you say you see your role as dealing more with non-status people, since they are not as directly under the jurisdiction of the Department of Indian Affairs in Ottawa, as opposed to treaty people in the province?

**Hon. Mr. Brunelle:** That's a very good point the hon. member has raised. I've met with the association on different occasions and they feel they are not getting sufficient attention.

**Mr. Wildman:** OMNSIA?

**Hon. Mr. Brunelle:** Yes—compared to the native people on reserves. I think this is an area where, as a government, maybe we should be doing more. A lot of them are having difficulties, especially in the area of housing.

**Mr. Wildman:** That's what I was going to ask about. Do you have any co-ordinating role with the Ministry of Housing in regard to the rural and native housing programme?

**Hon. Mr. Brunelle:** The hon. member knows—he wrote to me recently with reference to Métis people in his area who had some real problems as far as housing was concerned. In turn I take these up with the appropriate ministry; in this case the Minister of Housing and Ontario Housing Corp.

**Mr. Wildman:** If there is an Indian band or a group of native people who are in a dispute with the government or a government agency or ministry, how would you see your role in that kind of situation? I know this is very hypothetical; but generally, how would you approach that kind of situation; if an Indian band were opposing something the government was suggesting, trying to stop something the government was suggesting or were in a dispute of some other kind with government?

**Hon. Mr. Brunelle:** As I mentioned, our advisory committee is comprised of senior civil servants and we, in turn, can ask for additional help if required. We review this. We had a case recently, last Friday, on the question of a road being built or widened through an area where there are Indian reserves. We have reviewed the material carefully so our decision was based on the facts presented to us, plus any additional information we decided to obtain.

**Mr. Wildman:** Is that the Garden River situation?

**Hon. Mr. Brunelle:** No, this is a road in the Osnaburgh area.

**Mr. Wildman:** Have you had any contact from the Garden River band of Ojibways regarding Highway 17?

**Hon. Mr. Brunelle:** No; just what I have read in the press. I haven't been asked to—

**Mr. Wildman:** All right. Thank you.

**Mr. Chairman,** I want to make clear that I think, from my short experience, that Mr. Brunelle is very well qualified for the role the Premier has requested of him. I think it's very important that there be co-ordination on native programmes and problems among the ministries involved. He has taken on a big task and it's a commendable approach.

**Mr. Lane:** I would like to say at the outset that I was satisfied with the statements presented to the committee on Tuesday evening by the Hon. Lorne Henderson and the Hon. Rene Brunelle. There is no doubt in my mind that these gentlemen are both doing public service on a daily basis.

I would like to make some special comment regarding Mr. Brunelle—Mr. Wildman has already touched on it—that is his responsibility to the native people. To my mind, our native people have been neglected in some instances in the past and I think I can speak about this with a fair bit of knowl-



edge because I have eight reserves in my riding.

I would say, I think without fear of contradiction, that Mr. Brunelle was probably the most qualified of anyone in cabinet to deal with the Indian people. He really earned this confidence from the native people over the years, especially when he was the Minister of Community and Social Services, because he had the responsibility at that time for the Indian community secretariat. There is a great deal of work to be done in the field if we are really ever going to try to understand the lifestyle of the Indian people and how best we can help them.

As one member of the committee, I would like to be able to vote more money than we are voting to Mr. Brunelle to do that particular job. I think it's a job which needs doing and I am sure we are very fortunate to have a man with the capabilities of Mr. Brunelle in charge of that responsibility.

Mr. Henderson, of course, being newly elected to cabinet, I can't speak with that confidence about what he has done as a cabinet minister. I am sure, given time, I will be able to do the same for Mr. Henderson as I can do for Mr. Brunelle at this time.

My Indian people speak about Mr. Brunelle with reverence. They really respect this man. He has earned this respect. I think the Premier made a terrific choice in this instance. I am sure that given funds to do a job he will do a job that needs doing, and has needed doing for a long time.

Mr. Chairman, as a member of this committee, and having been a member of many committees over the years, and a person who usually tries to attend committee meetings on a regular basis when I have the responsibility to do so, I would like to make some comment on last Tuesday's meeting.

First, the hon. member for Sarnia (Mr. Bullbrook) held the floor for a considerable time. While he stated that his main concern was the restraint programme of this government, his line of questioning didn't really bear this out. It seemed to me he had one concern and that was to try to needle the Hon. Mr. Henderson and to embarrass him if he could.

Mr. Chairman, if the hon. minister happens to be a better politician than does the hon. member for Sarnia, so be it. I don't think it should be the concern of this committee to discuss it on that basis. I think it was a personal thing. I don't think it should have been discussed that way. I felt that what was happening that night was an exercise.

I also had a great deal of concern about the way the member for Brantford (Mr. Makarchuk) and the member for Fort William (Mr. Angus) conducted their interrogation of the minister. It was an interrogation, it wasn't an investigation of the estimates at all. This causes me a great deal of concern.

As a matter of fact, I would like to pay tribute to the member for Nipissing (Mr. R. S. Smith) and the member for Essex North (Mr. Ruston) because to my mind they were the only two all evening who conducted the questioning in a manner that would be expected when we are doing estimates of any ministry.

Mr. Chairman, I am saying this because I hope this committee, or any other committee, will not be subject to that kind of an exhibition again, because that is all it was.

**Mr. Davison:** I would like to have some explanation about the question of cabinet confidentiality. It came up in last night's discussion as if it was the fifth amendment or the Official Secrets Act. I can understand it, I want to be quite honest with you, I can understand that completely if we are trying to get some answers on your participation in cabinet discussions, or your method of operation in the research development committee, or something in connection with the legislative planning committee, or even asking in what manner you consult with other cabinet ministers. I want to say that I can understand that you would invoke the question of confidentiality. I respect that.

What I don't understand is the way in which the question of cabinet confidentiality was invoked in regard to your trips around the province. You were quite honest with me, and quite open about it, when I asked about how often you had been to my city of Hamilton. You told me that you were there twice. When I asked about the nature of your trips generally, you confided quite frankly that half of them were political. When I asked for a breakdown on the two trips to Hamilton, one was to John Smith's birthday party celebration, testimonial dinner or something—I don't recall what it was, really—then you said that the other one—

**Mrs. Campbell:** I think he said it was his farewell dinner, if I recall.

**Hon. Mr. Henderson:** It was a testimonial dinner.

**Mr. Davison:** That was a mistake.

**Mrs. Campbell:** A Freudian slip.

**Hon. Mr. Henderson:** I think that was correct at the time. I think everybody under-



stood. I understand it was in the headlines of the Hamilton paper.

**Mr. Davison:** There is a man by the name of Brian Charlton in Hamilton Mountain who might be able to arrange that for Mr. Smith. We will see in the next election.

That aside, you then went on to say the other one was political, I suspect inferring that that one wasn't. I guess we got into a bit of a quibble on the definition of what was political and what wasn't. I, personally, see the John Smith trip as being nothing but political. We obviously have a difference of opinion on that. You said to us half of your trips were political. Looking at the trips you have made to my city, by my definition, and I think by most people's definition, the John Smith trip is political.

[4:00]

All I can assume from that, if you won't further clarify it, is that the half of your trips you consider not to be political would, by my definition, and I suspect by a great many people's definition, be of a political nature.

What I'm getting up to is that if, in fact, 100 per cent of your trips are either political or of the John Smith trip nature, then I think 100 per cent of your trips are political. I think that's a misuse of the public funds and I think if you're going to undertake that sort of activity it would be better funded, and by the way—

**Mrs. Campbell:** You've got a car and a driver to drive you around.

**Mr. Davison:** —there is nothing wrong with you doing political work.

Interjections.

**Mr. Chairman:** Order, please. Mr. Davison has the floor.

**Mr. Davison:** There is nothing wrong with you doing political work and I would say that to your colleagues who seem to be fairly uptight about the situation.

**Mr. Drea:** Not as uptight as you are.

**Mr. Norton:** Ask Mike Cassidy how many trips he makes in our ridings and ask him how they're paid for.

**Mr. Davison:** As I said, there is nothing wrong and I have no objection to you doing political work. I object to the people of Ontario paying for it and I think if you're going to do that work then it should be properly paid for by the Conservative Party

of Ontario. That's my opinion and, obviously, we disagree.

**Mr. Norton:** Produce the receipts.

**Hon. Mr. Henderson:** May I just comment shortly on that? As you know, I didn't hide where I was. I told you openly. But I was there representing the Premier of Ontario. Sure, you may say it's political. I won't argue with you. I made it clear that I was there. I made it clear of the meeting I was at and the other one, I said, was definitely political.

**Mr. Davison:** I congratulate you for telling me that you came to Hamilton.

**Hon. Mr. Henderson:** You're entitled to your opinion that it is political.

**Mr. Davison:** Right.

**Hon. Mr. Henderson:** I say I was there representing the government.

**Mr. Davison:** Okay.

**Hon. Mr. Henderson:** If you think it's political, fine. It's a difference of opinion.

**Mr. Davison:** Right. I realize we just have a difference of opinion and we have a difference of definition. What I'm getting up to is that you freely told us about your trips to Hamilton and I recall that you mentioned a trip to Essex, to Mr. Ruston's riding.

**Hon. Mr. Henderson:** No, I don't believe it was Mr. Ruston's riding.

**Mr. Ruston:** Yes.

**Hon. Mr. Henderson:** The buildings? No they're in—

**Mr. Ruston:** Oh, yes.

**Hon. Mr. Henderson:** Are they in your riding? You were right, then, I'm sorry. I thought I was in the riding of his colleague from Essex South (Mr. Mancini). It's very close to the boundary line there.

**Mr. Ruston:** It's very close.

**Hon. Mr. Henderson:** Within a mile.

**Mr. Davison:** The point I want to make is this, and I want to make it very clearly and I don't want to be at all misunderstood. I just don't think it's proper for you to say to us, "Yes, I made these trips to Hamilton; I made this trip to Essex" and then when members of the committee ask for a list of the places to which you went, to invoke the



whole question of cabinet confidentiality. I don't feel it would be breaking the confidentiality of cabinet for you to say where you go.

As I said at the outset, I can understand the question of confidentiality when we're talking about cabinet discussions and the other items I listed in your responsibilities. But when it comes down to your trips, if you would refuse now to give a list of the places you've gone and an explanation of what you did there, then I can only assume, and so can other members of the committee assume, that we have to consider your trips and judge your trips by the ones you've told us about.

In Hamilton, by my definition, 100 per cent of your trips were political. All I'm asking you to do, and I really don't think it breaks confidentiality, is to tell us where you've been and what you did there. I don't think that's unreasonable. I don't think I'm being accusative or forceful or anything like that. I think it's an honest request. I think that is what this committee is about and I don't think an explanation is out of order. I don't think the question is out of order.

**Hon. Mr. Henderson:** Mr. Chairman, I would have to respond that I believe it would be up to the people who invited me to go to these particular places to divulge that I was there. I didn't put out press releases that I was going. As I say, I believe that is up to them to give out that information. As far as I'm concerned, it's confidential. I've tried to answer you as fairly as I can. But when a group invites me—it might be a church group, it might be a Children's Aid Society—I'm responding to that group. If they want to give me any publicity, I consider that in their hands—it's not up to me to make the announcement. But that's the way I deal with it, as confidential.

**Mr. Davison:** Okay. So what you're saying now is that the question of the trips would not be breaking cabinet confidentiality, but would be breaking a sense of confidentiality you feel with the people you meet with, is that right?

**Hon. Mr. Henderson:** I would have to put it that way, yes. That's my personal feeling, yes.

**Mr. Davison:** I'm not trying to be obtuse at all, but I just don't understand how the committee can be asked to—

**Hon. Mr. Henderson:** Let me answer you this way—and I'm trying to be as fair as you are; and I realize and I appreciate your ques-

tions. Let's suggest that you had a group that you wanted me to meet with. I don't think you would want me to spread it across the front page that I had met with your group. I think you would want to use that prerogative.

**Mr. Davison:** I don't mind anybody—

**Hon. Mr. Henderson:** That's the attitude that I take. I feel that if the person who requested the meeting with me wishes to make an announcement about it, that's fine—if they don't, I don't feel that I should make it public.

**Mr. Davison:** Could I take this from a slightly different tack? I don't understand your reticence completely. All right, you're reticent about it, and you obviously have some reasons of—

**Hon. Mr. Henderson:** It's my belief.

**Mr. Davison:** Could I ask for a list of the trips you have made and what you've done when the trip itself is public knowledge? Is that fair?

**Mr. Lane:** Read the newspapers.

**Mrs. Campbell:** We're looking at his estimates.

**Hon. Mr. Henderson:** It would be a very tough situation, or a difficult situation, Mr. Chairman; it might take several days. I'd have to go to these municipalities to look at all their local papers. I would have to answer in this way: It would be difficult to get that complete list for you. I don't deny it to you. If you know of some trip I made, and are knowledgeable about it, I'll answer you.

**Mr. Davison:** I'm sorry, but I have many duties as a member of the Legislature and I don't have the time to read every newspaper that's been published since—

Interjections.

**Hon. Mr. Henderson:** I think maybe you've partially answered the question.

**Mr. Drea:** Surely, the matter of where Mr. Henderson goes and the methods he uses to get there are not a matter for this committee. If there's a scintilla of suspicion about the way in which he travels, or anything else, it is a matter for the committee on elections and privileges. If there is a single smidgen of evidence, or any concern, then I suggest to you very strongly that that is where it goes. What a member does, does not come into the purview of these estimates. What a civil servant or somebody else may do in the regular line administration of a ministry, yes;



but there is a certain distinction between an elected member, whether he is a private member, a government member or somebody who has extra responsibility.

**Hon. Mr. Henderson:** Mr. Chairman, I would like to answer Mr. Davison a bit further, if I might. I have one short answer here. Mr. Davison told me on the way in that he was concerned about these. I looked into my diary, Mr. Davison, just while I was sitting up here—maybe you saw me with it out—and I had here three situations.

On April 25, I was present at Campbell Park in Middlesex county. This was a special sports function, and I presented a trophy on behalf of the government. On April 28, I was in the riding of North York with the mini-cabinet. We were there at the request of Bill Hodgson, and it was advertised in the papers. If you advertised and had me there, I don't know whether you'd call it political. But I suppose you would call it political that Bill Hodgson advertised that the cabinet would be there. Then on Monday, April 19, I attended an occasion with the Slovak people as a representative of the government. Those three occasions I know were advertised in the paper, so I just tried to pick them up as something that I could answer you on, and not feel I was breaking the confidentiality of a cabinet minister—if that is any help to you.

**Mrs. Campbell:** Mr. Chairman, I think the member for Scarborough-whatever raised a point of order.

**Mr. Gregory:** Do we debate points of order, Mr. Chairman?

**Mrs. Campbell:** Was Mr. Drea in order on that lengthy interjection?

**Mr. Drea:** It was a point of order.

**Mrs. Campbell:** Then I think we are entitled to speak to a point of order.

**Mr. Drea:** Obviously the chairman is taking it under consideration. If you want to get smug and smart in here again, I am perfectly willing to go that way. I would like to keep it responsible—I don't want the other night to occur again.

**Mr. Chairman:** Order, please. What is your point of order?

**Mrs. Campbell:** The member raised the point that we should not be investigating these things at this committee. My point of order is that because the activities of this minister and this ministry, or this political

function, are so vague, we have no alternative if we are to exercise our responsibility to the people of this province in perusing expenditures of this government. We must pursue these questions because they are really the only questions that we can put to him. We do not have classifications in this activity.

I am somewhat tired of hearing about what went on the other night. Mr. Bullbrook's position, from Hansard, is abundantly clear. He was simply indicating—

**Mr. Chairman:** I think you are straying from your point of order.

**Mrs. Campbell:** Mr. Bullbrook has been brought into this several times. What he was doing was saying that public funds were expended here to fudge a committee which was dealing with estimates. On that point he was entirely correct.

**Mr. Chairman:** Order, please. I think we've strayed from the point. I believe your point was well taken and the first part of your comments was in order, Mrs. Campbell. But I would have to remind this committee that the Minister without Portfolio gave a very general statement at the opening. The purpose of this committee is to question the ministers. I hope all members are aware that they have the right to question the ministers and the ministers, of course, have the right to answer the questions as they see fit—or say they do not wish to answer the questions.

**Mr. Davison,** would you continue?

**Mr. Davison:** I don't see anything wrong with my request. I think the information is necessary if we are to make a judgement on the role of the minister. I am just about to give up, if we are going to be continually confronted with, "I'm sorry, but this falls under confidentiality" of one sort or another. So I don't have any further questions for Mr. Henderson.

**Mr. Brunelle, Mr. Henderson** gave us—and I appreciate him giving us—a breakdown of his staff. I wonder if perhaps you would be able to give me a breakdown of your four classified staff whose salaries total \$61,300?

**Hon. Mr. Brunelle:** Yes. My staff consists of four classified and one unclassified. The four classified are an executive assistant; a senior secretary—she makes all appointments; a secretary group 5, who does all the typing. I have a driver. The unclassified secretary is on contract, and she is perfectly bilingual [4:15]



**Mr. Davison:** She is a clerk general, bilingual.

**Hon. Mr. Brunelle:** Yes.

**Mr. Davison:** What I'm interested in is their salaries, not their job titles, I'm sorry.

**Hon. Mr. Brunelle:** My executive assistant has 28 years of service and is paid an annual salary of \$22,325. My senior secretary with 30 years of experience has a salary of \$14,189. The other secretary, group 5, is paid a salary of \$10,982. My driver, who has eight years of experience, is paid \$13,658. And the unclassified secretary, also a clerk 5, has 10 years experience, and is paid an annual salary of \$11,363.

**Mr. Davison:** I realize it is a very small point, and I don't mean to make it a big point, but there seems to be continual discrepancies of very small amounts of money in the figures given to us by the Minister of Government Services, and in the figures that the Hon. Mr. Henderson and you have presented us with. For example, for your clerk, your one unclassified staff, you're allocated \$13,500. The minister told us she was paid \$11,400 and now it turns out she's paid \$11,363.

**Mr. Lane:** So what?

**Mr. Davison:** I don't understand the attitude of the members on the other side of this table.

**Mr. Gregory:** That's right, you don't understand. That sums it up.

**Mr. Davison:** Are you hiding something?

I realize it's small, that we're dealing with hundreds and twenties and so on and so forth, but I'm concerned at the sloppiness of it all. Remember we're dealing with a \$300-million budget, or something, for Government Services. I just want to ask the minister, is this sort of minor discrepancy in every single one of these items? Would we have to search through every single one? What kind of totals would we come up with when you add up all the hundreds and twenties and thirties and fifties and so on and so forth? Or are these ministries without portfolio an exception?

**Hon. Mrs. Scrivener:** No, Mr. Chairman, when we're dealing with very large sums of money, as we frequently are in all estimates and budgets within government, we change it to the nearest 100 or the nearest decimal point which is convenient. For the sake of auditors, and for all our own accounting procedures, of course, we go to the closest penny. Exactly, precisely. But for the sake and con-

venience for persons like yourself, and myself, we take it to the nearest decimal point.

So it would be expected that for you and me \$11,400 is close enough that you have a general idea. The pennies are actually absorbed in that small item of 2.6, because the round figure is precise—\$75,300. That is precise.

**Mr. Davison:** Okay, so what you're saying is, that while there are minor discrepancies in every single item, on balance they will come almost identical to the figures you give us.

**Hon. Mrs. Scrivener:** In the reconciliation statement at the beginning of my estimates you will observe that everything is taken to the very closest 100. In one particular case, for our actual 1974-1975 estimates, even to the nearest dollar, \$269,406,122. That's precise.

**Mr. Davison:** I just wanted to understand whether or not this was carried through all of your estimates, and what sort of reconciliation method there was. Thank you very much for your explanation.

**Hon. Mrs. Scrivener:** When we're dealing in Management Board, and in cabinet, and in other areas, with very large sums of money we don't clutter it up with that kind of small detail.

**Mr. Davison:** Thank you, I understand that perfectly.

Mr. Brunelle, you're dealing with native people, and like all of the other members who have spoken previously I think that's a good thing. I'd like to ask you, is there anybody on your staff who speaks Ojibway or Cree?

**Hon. Mr. Brunelle:** No.

**Mr. Davison:** Do you find it difficult, does your staff find it difficult, to deal with native people when you can't deal with them in your own tongue?

**Hon. Mr. Brunelle:** I would say to the hon. member that those representatives of native organizations speak very fluent English. Mr. Ricard and Mr. Kelly are most fluent in English. It is quite true that there are Indian chiefs who do not speak any English or very little English. When we go to reserves, we have to have the assistance of an interpreter.

**Mr. Davison:** I think, considering your position with the francophone community, it is commendable that you have a bilingual



person on your staff, French and English. I also think that in view of your position with native people—your collateral responsibility—it might have been a good thing, when you were hiring your staff, to have considered somebody who was fluent in native languages. That is up to you, obviously. It strikes me as something I would have done in your position. I don't have any further questions for the two ministers.

**Mr. Drea:** First of all, I have some remarks in mind but I am going to delay them for a moment. I want to assure my colleague from Hamilton Centre that I wasn't attempting to stifle his right to go after expenditures. The only thing I was raising is that in my view this is not the proper forum. I certainly do not dispute the right of the member or, indeed, of a citizen to check expenditures accurately.

Secondly, and I say this to the Ministry of Government Services, it seems to me we would not be here at 4:25 p.m. on this date if Mr. Davison had received the answers to the last series of questions some many days ago.

I will tell you quite frankly that this whole thing began over a question of arithmetic. It was that simply the arithmetic as expressed in the printed estimates did not add up when there was a question. The particular question was to detail the number of staff for which the arithmetic did not add up.

I will be quite frank with you, Madam Minister. Since that time, I have generally taken the same position as Mr. Davison which is that while the amount of funds is remarkably low when you are considering this type of estimate, nonetheless there is evidence, when the simple arithmetic does not add up, that either one of two things has taken place.

Either the person who submitted the estimate and so forth through Management Board, somewhere along the line, has made a typographical error or the figures never added up. When the amount is small the only reasonable conclusion that a reasonable person can draw is the description the member for Hamilton Centre put on it—it is evidence of sloppy work. If it is sloppy for \$100 there is every reason to believe that a few decimal points or commas or zeros may have been dropped elsewhere.

I suggest this is the first time in estimates that I have ever heard—I have been on a great number of committees; as a matter of fact, I should be next door where my own estimates are being carried out—I have never heard the official explanation before that as long as it comes close to within \$100 or \$200

that is all right. I am certainly not suggesting that anybody is taking the \$100. It is being treated like 1.4 cents; you just drop the 0.4 because obviously it is less than 1.5. Therefore, it is one cent.

That may very well be necessary in considering estimates of this volume in the very short space that a book allows. It may be a very admirable accounting procedure; it may be a very admirable space procedure, but I would think it is also incumbent upon the people who prepare these, when questions like that are asked, instead of half an hour—I go back to the events of last Thursday night from 10:05 to 10:30. The arithmetic simply didn't add up. Time and time again an entire head table of staff and ministry could not give information.

I am not suggesting this to Mr. Davison, as I don't want to put thoughts in his head, but I was somewhat bemused. I suggest in the future, if this is going to be the accepted practice, then right at the start of estimates there be a caution or something that, if you have questions as to the fact the arithmetic doesn't add up by relatively small amounts, this is the procedure that we use. I think that would have saved us an enormous amount of difficulty. It would have saved an enormous amount of time.

I suppose there's a supposition that Mr. Davison—and this is really his first set of estimates—should be expected to know. I can tell you this is not my first set of estimates and I didn't know until just about five minutes ago. I suggest this apply not only to the chairman of this committee but that it go right through the chairmen of other committees. There is a time limitation placed upon estimates and the faster the concrete and the major and the philosophical and the issue questions are faced, the sooner we are coming to grips with the estimates. It is a matter of simple arithmetic and nobody bothers to say, "Don't worry if it's less than \$200 or \$300 because it's an adjustment made to fit within the confines of space." That would have saved us one evening.

**Hon. Mrs. Scrivener:** Mr. Chairman, may I interject for a moment? I would point out to the member that if he would look in his estimate book, he will see that wherever we have recorded the results of actual figures for a particular year, as, for example, the actual figures for 1974-1975, they are all precise to the dollar. But we are talking about estimates and so we talk in terms of round figures until we know at the end of the fiscal year what the precise accounting will be.



Mr. Drea: In all fairness, may I point out that when Mr. Davison was in considerable difficulty the other evening, there were a great number of veteran committee people in this room. I look at my colleague here from Essex North (Mr. Ruston). If I could read the expression on his face, he was busily adding up. He certainly did not understand that things were zeroed off. This is all I am suggesting.

If these are accounting principles or they are dictated by the requirement or by the stylistic requirement that it is all put within one printed page, then I think it really should become common knowledge among the people who have to scrutinize because I would suggest to you there is a matter of credibility involved in something as basic as arithmetic. If the arithmetic doesn't add up, the reasonable thought comes that I wonder what else doesn't. If there is a logical explanation for that, I would think that in the future it be immediately volunteered.

To come to some other things, I frankly have been concerned for some time in this committee about exactly the role that we are playing. First of all, Mr. Chairman, I realize the manner in which estimates are presented really is beyond your control. You are faced with the chairmanship of a committee. You are faced with a book of prepared estimates. You do have powers through the committee to bring people before you, and there is no question about that.

But I suggest to you in this case, and this bothers me a very great deal, first of all, we began these estimates perhaps with a technical error committed by the government, that technical error being that the estimates of the ministers without portfolio—the senior one, Mr. Brunelle, and the junior one, Mr. Henderson—were submitted through a minister who in all good faith could not answer because she had no knowledge of the functions, not of the staff of those two ministries, not of the arithmetic, but of the duties that were performed by them.

[4:30]

It seems to me the route that this went is extremely frustrating. The frustration is that the wrong people are being asked to give the answers and, in a great many cases, the wrong people are being pilloried because they seem to give inadequate answers.

In the British parliamentary system, of which we are part, the selection of the cabinet is the sole prerogative of the Premier or the Prime Minister of the day—in other words, the head of the party. In the history of political life in Canada, regardless of the

party and regardless of whether it is federal or provincial, cabinet ministers are picked by the heads of government for a great number of reasons. The accountability for the selection and for the duties that are assigned to those ministers rests solely, during tenure of office, with the Premier. In turn, the Premier's selection is either vindicated or repudiated when he goes to the people for a continuation of his party as government.

It seems to me we are embarking on an extremely sinister operation when a committee that sits by statute, to judge the efficacy of programmes, suddenly turns and begins to consider the merits of who is in the cabinet. So that there will be no wrong impressions given, I am going to talk about some examples. I want to make it very plain that these are examples out of the history of the federal Conservative Party.

I do that for two reasons. I am not going to sit in judgement in a public place on members of other political parties, nor am I going to sit in judgement on things that are particularly provincial. I want to raise these points on the basis of some of the past history.

When the head of a government is picking cabinet ministers, I think it is well accepted, both by the political theorists and by the people in the street, that he does it for a great number of reasons. He can deliberately ignore, because of the political realities of the day, extremely outstanding people and the public can wonder about it. As an example I can tell you that the Ombudsman of this province served twice, with distinction, as a federal MP and was never called upon to be a federal cabinet minister.

I can cite to you a great number of people who were called upon, in my party federally, to become cabinet ministers who are utter and complete disasters. That was the responsibility of the Prime Minister of the day and the public sits in judgement upon it, not a committee. As far as I know, there are no formal qualifications required to become a cabinet minister other than to be elected.

A cabinet minister may be selected—I must be blunt about it—he may be selected because of his religious persuasion. He can be selected because of geography. He, or she, can be selected because of occupation or, as a matter of fact, they can be selected as a matter of their preoccupation. That is the Premier's choice.

It may be of concern to the opposition parties, and I say that is fair game. They are perfectly able to criticize and should be able to criticize, and I hope would, because



they exercise a responsible function under our system of government. It is their prerogative to criticize those, but surely it is not up to a committee of members to sit in judgement upon the merits, or upon the duties, or upon the way that a cabinet minister carries out those duties?

I suggest to you, in terms of programmes of a minister who has a department, it is all very well and it is all very fair to suggest you are not giving leadership, you are not listening, you are not responsive to public needs, because there is evidence on the outside. There is evidence as to whether the programme is working. There is all kinds of evidence. In the question of a Minister without Portfolio, I suggest to you, there is no such criterion to measure, so what it becomes is what the person is personally.

It is with the greatest of sadness, Mr. Chairman, that I come inevitably to the conclusion that the appearance of the senior Minister without Portfolio and the junior Minister without Portfolio was unnecessary. Certainly the reputation, the record, the political acumen, the administrative ability and frankly just the plain humanity that has distinguished the political career of a man I am very proud to call my colleague and friend, the Hon. Rene Brunelle, was never in question; never in question. I suggest to you that the Hon. Rene Brunelle was called only because it turned out to be a respectable way of having a very intensive look at the merits of the junior Minister without Portfolio. That bothers me a great deal.

I come inevitably to a second sad conclusion—that what the junior Minister without Portfolio does or doesn't do really was brought into question because of his occupation. I suggest to you that if the junior Minister without Portfolio in this government was named Roy McMurtry there wouldn't have been a question about what he did after he read that statement—as a matter of fact, after the initial statement was read by the minister on Tuesday night. I come to that inevitable conclusion—Well, madam, you can shake your head, but I come to that conclusion.

**Mrs. Campbell:** You can come to your own conclusions.

**Mr. Drea:** I am very glad that I am permitted that in this committee. I am getting a little bit tired of being second-guessed by everybody. I come to that conclusion. I am very sad about it. I don't think there's anything disreputable and I don't think there's anything that has to be laughed at in a man whose occupation is farming.

It may be high game in urban society to take a look and to laugh at the rubes and to do all of this thing—and I suppose from time to time as an urban person perhaps I am guilty of it—but I suggest to you the fundamental reason that the junior minister was called here was that it was unbelievable among the sophisticates that a man who has been a farmer, a man who has expressed the views of rural Ontario so succinctly over the years, could possibly be of the calibre that we, the sophisticates, somehow expect of a cabinet minister. That saddens me a very great deal, because I certainly hope it isn't true. I hope I am wrong. I sincerely do.

**Mrs. Campbell:** You can rely on it, you are wrong.

**Mr. Drea:** Well, I sincerely hope I am, Mrs. Campbell, but I have seen nothing in your conduct to validate that position. I come back to the question—

**Mrs. Campbell:** Can you document any point where I have made any such suggestion and do it now, or were you here when I spoke?

**Mr. Drea:** Madam, I am always here. I watched your back the other night.

**Mrs. Campbell:** Oh, good.

**Mr. Chairman:** Order, please. Mr. Drea, would you please continue?

**Mr. Drea:** The expression was cut in stone on her own opinion, as always. This saddens me a very great deal, Mr. Chairman. I suggest that as a committee—particularly one in which, unfortunately, because of the terms of our jurisdiction we are faced with a title called “miscellaneous estimates”—we're going to get more of these. We're going to get more of these catch-alls.

I seriously question the role of the Ministry of Government Services in this because I think the ministry has to bear some responsibility for the confusion about the arithmetic. I suggest, before we launch it again, that we give some consideration to the fact the only person who could really answer most of the questions put to the junior Minister without Portfolio and give an adequate answer—and I understand the frustration, I'm not happy with the answers either—is the Premier (Mr. Davis). I want to talk about that for a moment.

It may be because of my role in this government that I could understand why Mr. Henderson had to say: “I'm sorry, that's confidential.” He was once accused, and this



really fascinates me, of taking the fifth amendment. I can understand why he was saying certain things were confidential. I can also understand some of the concern by some of the opposition members as to exactly what was the difference between his role as a very senior private member and a junior Minister without Portfolio, and why the extra expense and staff were required.

At one point—and I'm sorry the particular Instant Hansard that I have is rather butchered—I believe it was Mr. Angus, although I'll stand corrected, suggested that a parliamentary assistant could do exactly the same thing. All right. Mr. Chairman, I can tell you, on my own experience, and I'm going to, that a parliamentary assistant could not do the things that Mr. Henderson does. I would suggest to you I am not bound by the oath of confidence that cabinet ministers are. I rather suspect I'm going to have to do some answering about the status of my particular vote after I'm done.

Mr. Henderson has been asked what type of legislation he looks at. All right, I'm going to give you an example because I had the responsibility for it, and damn the consequences.

One of the particular valuable roles Mr. Henderson played for the people of Ontario, particularly for the people of rural Ontario, was scrutinizing carefully the regulations that were put into effect on May 1, 1976 under the Liquor Licence Act.

Mrs. Campbell: Ridiculous.

Mr. Drea: That was my Act and my regulations, Mrs. Campbell. I can assure you it took place. You can doubt my word or shake your head.

Mrs. Campbell: Not the regulations, not at all.

Mr. Drea: I'm talking about the regulations. I am not talking about the Act. I can see the cynicism coming into your mind now. The Act was passed last year when Mr. Henderson was a private member. I am talking about the regulations and the proclamation of that Act which were done subsequent to the election of 1976 and Mr. Henderson becoming the Hon. Mr. Henderson.

Mr. Henderson scrutinized each and every one of those regulations. He scrutinized them on behalf of the small towns in the rural areas of southern Ontario. I can tell you there were changes made. There were changes in language and in approach that were made because Mr. Henderson, not speaking for a

special interest, pointed out the difficulties, the administrative pitfalls, and the difficulties that individual people might get involved in because not everywhere in this province is there a Metropolitan Toronto where accessibility to something is easy.

I can tell you Mr. Henderson pored over it for many hours. I can also tell you, Mr. Chairman, and I want to put this on the record, I spent almost 18 months on that liquor Act. I thought I knew everything. I think everybody who drafts legislation comes to that point. I'm not talking about the ideological thing, I'm talking about the practical realities: You have made a decision, here is how we're going to implement it, here is fleshing out the Act. I can tell you, in four or five sessions with Mr. Henderson—and I was not happy, nor was my minister, nor were many of the people who actually did physically draft those regulations—Mr. Henderson made a tremendous contribution to the way the Liquor Licence Act is administered in rural Ontario.

[4:45]

Mr. Chairman, when is the last time since January that you have seen in the press, or heard, or watched on the electronic media the howls that used to come forth from the smaller places in rural Ontario about the arbitrary actions of the Liquor Control Board? Perhaps, too, I believe in management by results. That is a role that no opposition member could have played. That is a role that no parliamentary assistant could have played.

I want to put all the cards on the table, Mr. Chairman. I sit on a cabinet policy committee. I think that because I do, perhaps Mr. Angus assumed other parliamentary assistants do as well. They don't. I do.

I can influence policy a great deal, and I'm not a minister without portfolio and I'm not in the cabinet. In fact I can sit down with the solicitors and virtually dictate the legislation and the form it will take. I can even take it beyond that. I can argue it as far as the cabinet legislative committee which checks that the language really means what it's supposed to mean.

But at that point, Mr. Chairman, it goes into limbo—I have no control over it. When it goes into that cabinet room it can come out completely shredded and a total disaster. I have no input there. Mr. Henderson does. Mr. Henderson sits in there.

I think that is the fundamental difference between a private member, no matter how powerful or how articulate—or the parlia-



mentary assistant, no matter how skilled—that is the fundamental difference when the final decision is being made. A cabinet minister, whether it is the junior Minister without Portfolio in this government or the Premier, inside that room has the final decision. I think perhaps that puts that in perspective.

I would like to talk about this political question of political trips. Mr. Chairman, every month I get a mimeographed form from the Office of the Assembly. It has two spaces on it for mileage. In my case, I don't get accommodation since I'm in Metropolitan Toronto—so let's just take those two.

Frankly, Mr. Chairman, I rely upon the Camp report to a large extent as to how I make up my mind on what mileage I put in there. There is no question that I have political mileage on the form. There is no question at all.

As a matter of fact, to demonstrate this I'm going to tell you what I'm going to do tomorrow night. If somebody wants to bring me up before a committee, then by all means do so. I'm going to two functions tomorrow night. I'm going to the annual recreation dinner of the borough of Scarborough. Now, the provincial government doesn't have one single thing to do with it. It is a community function in the borough of Scarborough. The borough of Scarborough has invited me. When I go there—and let's get rid of all the niceties—I am not there as Frank Drea, fine citizen, I am there as Frank Drea, Conservative MPP.

It may be very true tomorrow night that a number of local politicians may lobby me on behalf of certain things. There may be federal members—and some not of my political persuasion—and they may be talking to me about certain things. I find it incredible that someone would suggest that I not go there, or if I do go there, that I certainly should not charge the mileage because it's political, it's not legislative at all.

Later on tomorrow night I am going to go to a function of the Rotary Club of Scarborough. I'm not going to make a political speech. I'm not going to bring them greetings on behalf of the government. I'm not even a Rotarian; never been asked. But why do you think they want me? Because it's political. Now, the mileage involved in those is about 2.4 or 2.5 miles—and I probably won't put it down anyway, because it takes too long. I'm just giving this as an example. If Mr. Henderson or Mr. Brunelle or Mrs. Scrivener or anybody else in the government, or any opposition member, want to go some place, surely if it was within the scope and the depth and

the meaning of the Camp report we should get rid of all this nonsense.

In fact, they took the position that everything was political. For accounting purposes they tried to break it down. Really, I think the most difficult thing for a member today is to decide what is legislative and what is constituency and that is kind of a value judgement. And at 15 cents a mile, when someone is invited, I just don't understand this. If Mr. Henderson is representing the Premier of this province, then surely Mr. Henderson is entitled to charge his expenses.

Mr. Henderson may have higher expenses than I. He may choose to live much differently than I. He may have different tastes and so forth. Surely, this is a matter of judgement within the scope. I have served on committees. I am somewhat notorious that my expenses are extremely low. Some people question them. I don't question people who choose to eat other foods or do other things. I don't think that is my prerogative. I accept them as being perfectly normal within a wide scope.

As a matter of fact, I am very glad to be a member of this Legislature. I think it is something outstanding, in a society that is supposed to be built upon other things, that members can still just turn in a mileage amount and nobody really questions it because the person is on his or her honour. I may be naive, but I happen to believe in that.

I give those two examples because I am satisfied that Mr. Henderson meets the responsibilities of a minister without portfolio. I don't care about the merits. I don't care whether he carries out his duties well or not well. That is a matter of responsibility for the Premier of this province.

So that there be no mistake, I am not going to support at this time that we stand down this particular item, until the Premier can be in a position to give an accounting, and a credible accounting, and only he can; of the duties and assignments that are handed out to these two men. I am not going to support any attempt to stand down because we could have done it earlier. I don't know whether it was a formal motion or not, but it certainly was broached. It was certainly broached more than once. People were so venomous and so filled with the anticipation of turning this committee into a minor Roman coliseum where they could see somebody torn apart that, at this great moment, I am not interested in regrets or recriminations or anything else.

People want to bring it up in the Premier's estimates; I presume that, as he always is,



he would be candid in answering. But I certainly don't want to stand down this item. Far too much has gone on by now. I may regret it. But far, far too much has gone on. I suggest that whatever the disposition of this particular matter, since the committee has plunged in, now as a committee we have to bear the responsibility for making the decision on item 5 of that particular vote.

I would just like to leave one more thing with you. I don't want to belabour this. I think you are probably the finest committee chairman that I have ever served under. I have served under a great many in a very brief time. Sir, I think the time has come when, really, you have to assume another duty and I know your duties are very onerous in running a committee of this kind.

I think one of them has to be that, from time to time, certain questions that cannot realistically be answered by the person being interrogated simply have to be ruled out of order. I am going to give you just one example. There was an example the other night of the equivalent of: "Have you stopped beating your wife and if so, when?" I don't really think there is any place in this committee for that type of question and, at the very least, I think it should be rephrased.

I am going to go to page 35, or it is S1-516-1 of the Instant Hansard the other night. The question that was posed:

Am I not correct in complimenting you significantly that before you were elevated to your present position you were one of the most significant private members in liaison between caucus and government?

I am not going to belabour the rest of the page as to how it was answered. I suggest to you that is the type of question that should never be put to a witness. If the person answers "yes," well, the person becomes a braggart; if the person answers "no," then the person admits he is not qualified for office. I suggest to you that I intervened the other night and said, "It's true. Put it on the record," in hopes that that would be the end of it. I really think this type of question has no place in the deliberations of so important a committee as this one.

**Mr. Ruston:** There was one thing no one mentioned: You each have a driver, is that the understanding? These cars are supplied through Transportation, MTC? I see. But you each do have a car at your disposal all the time, eh?

I think we've gone over this pretty thoroughly, as far as I can see. In contrast to the hours we spent on this, we went through

one vote the other night for \$90 million in about 25 minutes. Maybe we should have spent as much time on that vote as we have on this one.

I have just been figuring here—some people sitting behind me seem to figure out what I'm doing when I'm doing a little writing. I think the former speaker was speaking about some of the things I was doing in trying to figure up—it wasn't really what you mentioned, Frank, although I do accept round figures. At times I've had to make expenditure proposals a year in advance and you can't have them right to the dollar. I don't quibble about that because I know it ends up at a reasonable amount in the end and I can check it then.

What I was doing though was just going through some leasing agreements we have. We are out of that vote, Mr. Chairman, but I've come to the conclusion we probably saved enough to hire about 10 or 15 ministers without portfolio if we had built the buildings instead of leasing them. However, we have already passed that vote.

So it is curious the time you spend on certain votes. I realize it is a prerogative of the Premier to appoint the ministers without portfolio. I think I was the first one to bring it up when we came to the vote in the first place. It was my opinion that this vote should have been in the Premier's estimates—it would then be his prerogative to answer since he makes the appointments. But since we have dealt with it this way—I guess I didn't get here in time today, Mr. Chairman, to be on the committee, so apparently I don't have a vote either—

**Mrs. Campbell:** Yes, you do. You are substituting.

**Mr. Ruston:** Fine, I wasn't sure if I got my word in.

Anyway, I am not prepared, Mr. Chairman, to support the withdrawal of the funds. I realize the operation of government is the prerogative of the head of government. I suppose if either of the other two parties was heading the government it could be possible that they would have the same situation. I think it is up to the people to decide. They will decide whether—and I think Mr. Drea mentioned that—the Premier is carrying on his business properly or not, and the people of Ontario will decide. I am not prepared to ask the people to decide an election on whether these two gentlemen should be ministers without portfolio. I am sure there are many more expenditures in the estimates that we will be going through which amount to many millions of dollars and in my opinion need very serious



consideration. Those are the ones I am going to be interested in in the future.

I think all the sessions we've had in regard to this particular vote have been different from the ones we have had before, and it probably has been enlightening to a number of us. But I must admit that what we have heard—I was pretty well aware that that was the general operations of government. Perhaps it is because I have followed politics a long time—not quite as long as the member for Lambton (Mr. Henderson) but through most of the same stages. When he was remarking about his career, he reminded me of the Minister of Agriculture for Canada, Lorne, if you don't mind my saying so—

**Hon. Mr. Henderson:** We were very close friends.

**Mr. Ruston:** I do doubt at times the amount of expenditure on this. On the other hand I think it is the prerogative of the Premier. I certainly expect when the Premier's estimates come up to be in the House to ask him about them. I am prepared to accept them in this vote, Mr. Chairman. I think we have had a fair discussion on them. I don't know how much more there is but that is all that I have to say on this.

[5:00]

**Mr. Angus:** Following up on that last comment I, too, think it would have been most logical to have had this whole matter discussed with the Premier. Unfortunately, I don't know how you are going to do it if the Chairman rules it is not within a particular vote because it's all here under Ministry of Government Services. I think we recognized early on that we are locked into that situation.

I have a couple of questions for Mr. Brunelle, if I may. In your relationship with the native communities and, I would assume, the reserves as well, do you in any way participate with the Ministry of Industry and Tourism in examining loan applications on behalf of native bands from NODC, EODC or ODC?

**Hon. Mr. Brunelle:** I have not been asked but if I was asked I would be pleased to. To my knowledge there have been very few applications to NODC.

**Mr. Angus:** But there have been some, particularly within the northwestern section of the province. Is it standard procedure that you, as the sort of unofficial official co-ordinator of Indian or native situations, rely totally on an invitation to become involved from the ministry or from the native people?

**Hon. Mr. Brunelle:** From both.

**Mr. Angus:** You don't feel you have a responsibility to involve yourself? To go to the Minister of Natural Resources (Mr. Bernier) and say, "I understand you have some dealings with this band; can I be of assistance?"

**Hon. Mr. Brunelle:** Yes. For instance, take the case of the two reserves at Whitedog and Grassy Narrows where many of the problems relate to the Ministry of Natural Resources. When I met with the two bands about a month or so ago I in turn communicated with the Ministry of Natural Resources to try to assist in resolving some of those issues.

**Mr. Angus:** Do you act as a focal point for the government of Ontario, i.e., so that Billy Salt would say, "Rene Brunelle is sort of the co-ordinator for native situations and I should go through him rather than going to Leo Bernier or Claude Bennett"?

**Hon. Mr. Brunelle:** Yes. Also, let me give you a specific example. You are probably aware of the task force on native education. It was the intention that the task force should be completed by, I believe, the end of March. Mr. Fred Kelly, the president of Treaty No. 3, approached me and said they would like more time. They had apparently asked for this and it had not been approved. I in turn got in touch with the minister (Mr. Parrott), and asked if it would be possible to extend the time and this was done. It was extended, I believe, until the end of June. I use this as an example of sort of—whatever the right word is—on behalf of whatever ministry it is to assist them.

**Mr. Angus:** Is there any consultation with you, in the same manner as the NODC situation, on the Wintario grants which are presently being given to some of the various reserves and native organizations?

**Hon. Mr. Brunelle:** My only involvement there would be meeting with Indian bands where there is a need for a community centre, whatever the case may be. I in turn would see that application forms are sent to them and then write in support of their application.

**Mr. Angus:** Really, then, the Wintario grants for native organizations or for reserves are left to Wintario to make that decision?

**Hon. Mr. Brunelle:** That's right. Should they be refused, they could ask for my assistance to have it looked over again.

**Mr. Angus:** I guess in a way I am thinking more so of the reverse. In some cases—I



don't have any examples, to be quite honest with you—because of developmental themes that are occurring within a reserve or within a group, the presentation of a Wintario grant may do more harm than the good it was intended to. Without consultation with a person “knowledgeable” in the field of Indian affairs I can see great problems occurring. Mind you, this isn't just for the native community; it happens in all types of recreation-based groups, but with the fact that you are seemingly responsible in some way for the native community, I was wondering whether that might not be a more appropriate way of dealing with it.

**Hon. Mr. Brunelle:** I'm not too sure if I follow you on that. I'd like to say, Mr. Chairman, as the hon. member knows, there is a great need for more recreational facilities, community centres, skating rinks on Indian reserves and so on. In visiting some of these I, in turn, would suggest to the band councils that if they have not made application they should. So my role there was strictly one of support and of assistance.

**Mr. Angus:** Okay. Thank you, Mr. Brunelle.

**Mr. Henderson:** I have just two very short questions. On Tuesday night you mentioned you receive 75 or so letters a week from people across the province, and my colleague tells me that 10 to 13 of them were referrals from other ministers or other members of the Conservative caucus. I'm interested in knowing whether those letters, the other 60 or 65 letters, were addressed to the hon. member for Lambton or addressed to the Minister without Portfolio?

**Hon. Mr. Henderson:** I suggested the other night that we counted up our letters for the past two weeks previous to you requesting me to come here, and I told you 75 letters each week for those two weeks was my average. They were addressed to “the Hon. Lorne Henderson, Minister without Portfolio.”

**Mr. Angus:** They all were?

**Hon. Mr. Henderson:** Yes. If they were just addressed to the Hon. Rene Brunelle with a copy to me, I considered it was his job to answer them.

**Mr. Angus:** The point I'm getting at, though, is that all members in this House get a variety of letters; the Chesley Hospital for one, the Clinton Hospital for another; pretty well every member got letters from that community.

**Hon. Mr. Henderson:** Or copies.

**Mr. Angus:** Or copies, as opposed to you being known out there as the Minister without Portfolio.

**Hon. Mr. Henderson:** The 75 letters were addressed to me as Minister without Portfolio. As I say, I counted them for the two weeks.

**Mr. Angus:** Okay, I'll accept those figures without any question. Has there been some form of interministerial memo sent out to the various government offices throughout the province suggesting that certain matters—and I won't ask you to name the matters—be referred to you, either by the civil service if they get a request from an individual or a municipality or a group, or for the office to suggest that they write to you as the Minister without Portfolio in charge of this specific problem or situation?

**Hon. Mr. Henderson:** Not to my knowledge. I don't believe so. It's very difficult for me to say what the Hon. Rene Brunelle does, but I would have to answer you that way, not to my knowledge.

**Mr. Angus:** You yourself have not sent that kind of interministerial memo out?

**Hon. Mr. Henderson:** No.

**Mr. Angus:** I'm just wondering about it. It's very easy, I think for a John Rhodes or a Darcy McKeough to have letters sent to them, because their names are prominent in the press as having to deal with a specific area, like Housing or like Treasury and Intergovernmental Affairs, but I'm not sure how 75 individuals a week came to write to you when you yourself have declined to say what your function is, and to your knowledge no directive has gone out to the civil servants.

**Hon. Mr. Henderson:** I'm afraid you would have to ask the people who wrote me those letters.

**Mr. Angus:** And you won't tell us who wrote you, so we're out of luck there.

**Hon. Mr. Henderson:** They're confidential letters, yes. If you wrote me a letter, I don't think you would want me to spill it over here.

**Mr. Drea:** I think there's a form of an adequate explanation. Mr. Henderson is widely known in rural communities because of the work of the select committee on land drainage over the past two years. It is not as if he is unknown. They held meetings in virtually every municipality.

**Mr. Chairman:** Order, please. I think Mr. Henderson has answered that.



**Mr. Angus:** One short question, Mr. Henderson: When were you appointed as Minister without Portfolio?

**Hon. Mr. Henderson:** At 10 o'clock in the morning, Oct. 7, 1975.

**Mr. Angus:** Would I assume then, at such a point in time as the details of expenditures book, the public accounts, comes out for the first fiscal year you were appointed, they will have breakdowns for transportation costs specifically, travelling expenses and things like that? I guess it is a year and a half down the road before we get such a book.

**Hon. Mr. Henderson:** I am not responsible for producing those, but I would expect there would be.

**Mr. Angus:** That is all the questions I have.

**Mr. Gregory:** It is very difficult to speak after Mr. Drea. There is not much left to ask, but I do have a few questions. Really my questions are in regard to the importance of the Minister without Portfolio, Mr. Henderson, to the cabinet and, secondly, a comment regarding the so-called political visits.

Having had somewhat of a similar background to Mr. Henderson's, over not nearly so long a time but certainly background experience at a local level, I know something of what we are talking about in the way of experience. You did mention, Mr. Henderson, that you are involved pretty much in the resources policy field.

**Hon. Mr. Henderson:** That is right, yes.

**Mr. Gregory:** That would have to do with housing, roads, transportation, agriculture, environment and natural resources.

**Hon. Mr. Henderson:** Yes.

**Mr. Gregory:** Were you a reeve or a mayor?

**Hon. Mr. Henderson:** A reeve. We don't have a mayor in a township.

**Mr. Gregory:** You would have considerable experience as a reeve with land use, with severance and this sort of thing?

**Hon. Mr. Henderson:** Yes, six years.

**Mr. Gregory:** You were very heavily involved, I would imagine.

**Hon. Mr. Henderson:** In addition, you could add my six years as assessor. I was very close to these particular matters. There were 12 continuous years of direct contact.

**Mr. Gregory:** And in regard to housing as well, I would expect.

**Hon. Mr. Henderson:** Yes.

**Mr. Gregory:** In regard to the Ministry of Transportation and Communications, I am not asking you specific questions because I recognize anything you deal with in cabinet is not strictly up to you to tell me, but as a reeve or as a county councillor and as a warden there is a similarity between a county warden and the chairman of a region.

**Hon. Mr. Henderson:** That is right. It is the same position under a different name.

**Mr. Gregory:** Right. As a reeve or as a warden, I expect you were a member of the Ontario Good Roads Association.

**Hon. Mr. Henderson:** Yes. I maybe neglected to tell you that when I was elected to the Legislature in 1963, in August of that year I was elected the first vice-president of the Ontario Municipal Association. I had spent some eight or 10 years working up to that position. It was very helpful to me in gaining knowledge across this province. Bill Allen, who at that time was chairman of Metropolitan Toronto, went through that office ahead of me. He was president that year. Had I remained in municipal work another year, I presume I would have followed him as president of the Municipal Association. I was very close to those organizations.

**Mr. Gregory:** I needn't comment on your experience in agriculture, because your background is certainly extensive.

**Hon. Mr. Henderson:** I have enjoyed my farm life very much. Nobody knows what a pleasant life that is. I consider it a great honour to have the farming background that I have got.

**Mr. Gregory:** Of course, the knowledge is very helpful as well.

**Hon. Mr. Henderson:** Yes. It is very helpful in the cabinet.

**Mr. Gregory:** Are there any kinds of mining operations or gravel pits or anything in the area you come from?

**Hon. Mr. Henderson:** We don't have nearly enough road building materials in our area, but we do have some depleted gravel pits. We have some salt mines that are not operating. We have the first oil well that was ever struck in North America and we do still have some producing oil wells.



**Mr. Chairman:** Mr. Gregory, would you just clarify how that comes under this?

**Mr. Gregory:** I haven't heard anybody else asked to do that but I will. The point I am trying to make, as I said earlier, is that the qualifications seem to be under some question. [5:15]

**Mr. Chairman:** I did allow very similar questions to Mr. Norton at the first of the session.

**Mr. Gregory:** They were general questions. What I'm trying to establish is the specific value to the cabinet, the specific items.

**Mr. Chairman:** I believe the same questions were asked earlier, but—

**Mr. Gregory:** They weren't continued questions. They were asked as to Mr. Henderson's background. I'm asking specific questions as to specific things which haven't been brought out as yet.

**Mr. Chairman:** Oh, all right. Continue.

**Mr. Gregory:** Okay. That was my reason for asking regarding the mining, and certainly would enable Mr. Henderson to make a comment.

Mr. Chairman, you can listen to members from the opposite side for an hour and a half—and I haven't spoken yet, sir; I haven't made an address. I've heard speeches go on. I'm asking questions now. If I'm not to be allowed to ask questions, okay, fine, overrule me.

**Mr. Chairman:** Mr. Gregory, I would say that I was not cutting you off in any manner whatsoever. I was just informing you that the questions had been asked previously, and you are more or less referring to the background of the minister. The estimates before us are the duties of the minister, the position he now holds.

**Mr. Gregory:** I'm leading up to the duties of the minister, Mr. Chairman, that's what I'm getting at, but I want to get the background first because I don't know these things any more than the opposition members do, as to Mr. Henderson's background.

**Mr. Chairman:** I'd like to make it very clear I'm in no way trying to cut you off, Mr. Gregory.

**Mr. Gregory:** Fine, thank you. I appreciate that. I was very interested in the mining operations and the quarry operations because,

certainly, the Ministry of Natural Resources has this as a part of its function. Isn't that correct?

**Hon. Mr. Henderson:** Yes.

**Mr. Gregory:** What I'm trying to get at, Mr. Chairman, and perhaps I can speed it along; I wouldn't want to take too much time. But, to my way of thinking, in a cabinet you need all sorts of input. Reference was made to distinctions between influence and input at the cabinet level. I think it was suggested there might have been certain influence exercised by the minister on behalf of certain roads. I suggest that the vast background knowledge that Mr. Henderson has in regard to roads from his experience as a municipal politician well qualifies him to put input into any type of legislation dealing with roads. I think that's very important.

I guess to sum up that particular question that I've asked in regard—

**Hon. Mr. Henderson:** Might I interfere with the questions? You would be interested to note that in 1944-45 I received my discharge from the armed services on December 24, 1944. Any of you who lived in south-western Ontario that year will remember that it was a very difficult winter to travel, the roads were blocked up for some three to four months. It was for road building that I was first elected to the Enniskillen council. It was to improve the road situation. That was my platform, and still is. Good roads for the people of Ontario.

**Mr. Gregory:** That is along the line of my questioning, Mr. Henderson. The point I'm trying to make—and I don't know all the cabinet ministers very well—my experience is somewhat similar to most of the members who are sitting on the opposite side, that's virtually zilch—but it seems to me only common sense that, in the formation of any cabinet by a Premier one tends to surround oneself with ministers who particularly have a knowledge of local and rural problems. A minister who has the vast knowledge that Mr. Henderson has of these various things could be invaluable to any cabinet.

I don't expect I will ever be in this position, but if I were a leader of any party—and I'm sure the opposition parties, if they are ever fortunate enough to form a government—would want to surround themselves with people with this background knowledge. They use the same tactics. I'm sure that they wouldn't hesitate to bring in people—not necessarily of professional knowledge—but



with a vast knowledge of unions. I think that's the first thing they would do.

**Mr. Wildman:** That's not our only source of expertise.

**Mr. Gregory:** No, but the point is, in my opinion, this gentleman, Mr. Henderson, is very well placed.

I would like to say, too, that I would like to compliment him on his behaviour in this particular committee which, at times, has resembled somewhat a kangaroo court. I suggest Mr. Henderson has presented himself in a very responsible fashion, much more responsible than many other members would have done had they been subjected to this type of questioning.

The point was made, Mr. Chairman, in regard to the so-called political use of Mr. Henderson. I respectfully suggest it would be very difficult for any minister of the Crown, any member of the House on either side of the floor, to present himself anywhere at any time without being political. It's very, very difficult.

I suggest that the Leader of the Opposition (Mr. Lewis), is in effect the leader of a shadow cabinet and certainly many of his closest assistants would undoubtedly be ministers if they formed a government. They do represent themselves in other areas and not necessarily areas that are represented by their members.

I have an example in my own riding. Certainly Mr. Lewis has appeared, certainly Mr. Deans and certainly Mr. Cassidy. Certainly Mr. Breaugh is going in there very shortly. I doubt very much if they are going to go in representing the government. I strongly suspect they are going to go in a very political way. I also strongly suspect their expenses will be submitted. I don't think there's too much difference and I think it would be a little unfair.

I don't think Mr. Henderson or Mr. Brunelle or any other minister are going to go into any riding and pretend to belong to a party other than that they belong to. I think it would be unreasonable to suspect he will. I certainly am not going to appear in anybody's riding and pretend that I'm NDP. I don't think I could do that. It would be very difficult. I don't think people would accept that.

**Mr. Wildman:** We don't.

**Mr. Gregory:** No, of course you don't. I guess that's it. I really wanted to get at the experience and the value of Mr. Henderson

to the cabinet. I think if I were ever put in a position of selecting people for cabinet, to do the best for the people of the Province of Ontario, I would want people with this type of experience. I think one can form a cabinet with nothing but experts. In other words, you can have all specialists and no general practitioners, and sometimes you can get into a lot of trouble if you have medical specialists in responsible positions.

**Mr. Wildman:** Mr. Chairman, on a point of order.

**Mr. Chairman:** What's your point of order, Mr. Wildman?

**Mr. Wildman:** I don't think it was the function of this committee, or the desire of this committee, no matter what questions were asked, to question the qualifications of either minister. Surely, any member of any party is qualified to be a member of the cabinet. The question was really the minister's function.

**Mr. Chairman:** I accept your point.

**Mr. Villeneuve:** Mr. Chairman, and members of the committee: As a rural member, with the transition that's taking place in agriculture and in rural areas, I have the greatest respect for my urban friends who are generally professional people. But to know the real answers and the problems, the flexibility of markets and the like and how they affect farmers, takes somebody who has farming knowledge.

I have the greatest respect and confidence in our Minister of Agriculture and Food (Mr. W. Newman). But let me tell you, he is surrounded and greatly outnumbered by urban members, where the majority of the population of the province is. But that does not take away the fact that we have very serious problems in the agricultural area.

For instance, I had a young man come to see me Saturday. He has a \$125,000 mortgage. He moved on that farm at 26 years old, paid \$25,000 and bought, lock, stock and barrel, 180 acres of land. His payments are \$989 a month for 30 years. Yet, his quota of milk is cut 15 per cent. He has to buy more quota and double the production he had last year or he'll never make it go. It takes some support of men like this who know something about tile drainage, its effects and the income it will give to farmers. We have a curtailment in expenditures this year. Some of us are not very happy about that because we do feel that's a necessity. They borrow this money. They can produce sufficient extra quantity of goods and cereals and grains



which they do not have to buy. In five years time a good farmer on 200 acres of land can warrant that expense by growing this extra grain.

Therefore, these are problems which affect the daily life of farmers and people in rural areas. We've got to have people like this in the government who can give this description and support the Minister of Agriculture. I think this man is very well placed. He's well versed in the agricultural problems of this province and they are important enough that he is justified in being where he is.

**Mrs. Campbell:** I want to reply, as indeed I must, to the attack upon me and what I said in pursuing my questions with the minister, as Mr. Drea put them. I defy anyone to point out in the course of my pursuing my very legitimate objectives anywhere where I was dealing with the qualifications of the minister. I was pursuing the function, which I think is legitimate.

I have not questioned at any time his qualifications as a member or as a minister but I feel it is important that we should look at the functions. It is a very difficult thing when any member puts in question the motives of those of us who are trying to pursue it.

So far as the Hon. Rene Brunelle was concerned, when he gave us his position he pointed out very clearly what his functions were. I must say that in the general statement of the Minister without Portfolio, the Hon. Mr. Henderson, I did not find that kind of clear definition. I think there is a difference between the operation of a private member and a minister. There is no question every one of us is a politician and there is no question every one of us is partisan as we go about the province. You are the worst of the bunch.

The question is, should there be the panyoply of a ministry, with staff, to carry out that function? That was what I addressed myself to and I would hope that Mr. Drea, when he reads the Hansard for the day, will see fit to apologize for any suggestion that I was either questioning qualifications or that for some reason, because I am lawyer—and that is the implication—I would not question the Attorney General in this situation. He should know better about Roy McMurtry and whether I would question him or not, I suggest, after a by-election.

It had nothing to do with whether it were Roy McMurtry or a professional person or anything else. It had to do with the function we were asked to support funds for. I want

to make that abundantly clear. I don't think the minister was offended by the questions I put on the basis of function. I don't think he was.

**Hon. Mr. Henderson:** Might I say I was very happy to have the opportunity to appear before the committee—

**Mrs. Campbell:** Thank you.

**Hon. Mr. Henderson:** —to try to explain—maybe we didn't do it satisfactorily but we did it—what we thought was fair and honest.

Vote 801 agreed to.

**Hon. Mr. Henderson:** Mr. Chairman, may I thank the members of the committee for giving us the opportunity of appearing before the committee to try to answer some of your questions. Thanks very much.

**Hon. Mr. Brunelle:** I also wish to thank you, Mr. Chairman, and the members of the committee.

**Mr. Chairman:** Thank you, Mr. Henderson and Mr. Brunelle.

**Mrs. Campbell:** Will they look after those documents?

On vote 802:

**Mr. Chairman:** We will continue on with vote 802. I believe the first six items have been completed. I will call item 7, vote 802, accommodation alterations, \$7,527,000.

**Mr. Martel:** Excuse me, Mr. Chairman, I didn't hear you. I don't want it to escape me. [5:30]

**Mr. Chairman:** This is item 7, vote 802.

**Mr. Martel:** Oh, that is the one I wanted to speak to. Accommodation and alterations. Is that accommodation or just alterations?

**Hon. Mrs. Scrivener:** Accommodation and alterations within the ministry's capital construction programme.

**Mr. Chairman:** Mr. Martel, if you were thinking of the accommodation for members, I believe earlier we stated it would come under 804, item number 8.

**Mr. Martel:** I would never want to be out of order.

**Mr. Chairman:** No, I realize that.

**Mrs. Campbell:** Not unless you couldn't be here.

**Hon. Mrs. Scrivener:** This particular activity, Mr. Chairman, was transferred from



the upkeep of accommodation programme to the provision of accommodation programme. It appeared to be a more appropriate item in this vote.

**Mr. Davison:** I have a question. The design and construction programme manual, 1976-1977, the notorious blue book, refers to and describes the accommodation alteration project as follows, "These projects include work which is done to the interior of existing facilities which improves efficiency in terms of the occupying ministry's programme needs."

Could the minister explain in relation to that definition of the programme, how such projects as the carpeting of the offices of the OPP detachment at Whitby improves efficiency? This is a tough question.

**Hon. Mrs. Scrivener:** I think the carpet you are referring to is a very low cost, utility type carpet, which is called an indoor-outdoor-use carpet. It does reduce the overhead cost of maintenance quite a bit. Those floors don't have to be washed and waxed all the time.

**Mr. Davison:** So the carpeting at the Whitby station does indeed improve the efficiency.

**Hon. Mrs. Scrivener:** Indeed, I think you would realize it reduces sound, an important factor in any office building.

**Mr. Davison:** Are these jobs under the accommodation alteration projects tendered, or are they done by the ministry's staff, or is it a combination of both?

**Hon. Mrs. Scrivener:** They are usually tendered.

**Mr. Davison:** Does your ministry offer a tender? Do you bid in that respect?

**Hon. Mrs. Scrivener:** No, we don't. We don't maintain staff for that.

**Mr. Davison:** Okay, but some of the work is done by the ministry.

**Hon. Mrs. Scrivener:** It is all over the province.

**Mr. Davison:** Is some done by the ministry?

**Hon. Mrs. Scrivener:** No.

**Mr. Davison:** It is 100 per cent by tender?

**Hon. Mrs. Scrivener:** Yes.

**Mr. Chairman:** Mrs. Campbell.

**Mrs. Campbell:** Would the work done to alter the premises of the commission on the election matters—specifically the special wash-room built into an office which Mr. Wishart and his group are occupying on Bloor St.—come under this vote?

**Hon. Mrs. Scrivener:** Yes, this would be the one.

**Mrs. Campbell:** Could we have some explanation? They went into a very expensive office building, and then you did some alterations there. I hesitate to ask whether the installation of a private washroom affects efficiency. I do question the necessity of it, because I understand there are some 11 males on the floor. I wondered whether that was a necessary expenditure of public funds.

**Hon. Mrs. Scrivener:** I am sorry, I don't know the rationale for it.

**Mrs. Campbell:** I see. So there really isn't an explanation of it.

**Hon. Mrs. Scrivener:** Not that I'm aware of.

**Mrs. Campbell:** But it would be done within this vote?

**Hon. Mrs. Scrivener:** I believe so, yes.

**Mrs. Campbell:** That leaves me—how do we get at this? I think the amount was, if my memory serves me, something over \$32,000. Is that correct? Could I have the full figure?

**Hon. Mrs. Scrivener:** I provided some information for you—

**Mrs. Campbell:** Yes, you did.

**Hon. Mrs. Scrivener:**—on April 1.

**Mrs. Campbell:** Yes, I just didn't bring it with me.

**Hon. Mrs. Scrivener:** At that time I wrote a research person, I believe, in your office and I said that the commission offices are located at 151 Bloor St. W. They occupy 1,437 square feet of office space for a period of four years and 10 months. The lease terminates on July 31, 1980. The rental is \$10,418.28 per year, or \$7.25 per square foot per year. The total cost of renovating, furnishing and equipping this office was \$32,340. The above space is occupied by seven persons as well as, currently, six casual workers and numerous auditors, representatives of the press, and private individuals. These use the facilities for their scrutiny of the public records and documents on file.



**Mrs. Campbell:** Yes, I have the letter. I inquired about it because I was interested that in the same building—actually on the same floor—there is another commission—the commission on violence. There seems to be quite a discrepancy between the furnishings in the two and the provision of services to the one over the other. I wondered—but you don't know why that would be?

**Hon. Mrs. Scrivener:** Perhaps it has to do with the continuity of use and the length of time the use of those quarters would be estimated for. I think there's a certain element of permanency to the Commission on Election Contributions and Expenses.

**Mrs. Campbell:** At least four years anyway.

**Hon. Mrs. Scrivener:** And possibly with some renewal rights.

**Mrs. Campbell:** Yes. But it's always been my understanding that the government had moved to try to regularize furnishings. When one looks at courts, for instance, there is in the normal course an air of permanency—there are very standardized pieces of furniture. But that doesn't apply with the election expenses commission.

**Hon. Mrs. Scrivener:** I'm not aware that this is so.

**Mrs. Campbell:** I see. But you really don't know anything about the expenditure of the \$32,340, or the rationale behind it?

**Hon. Mrs. Scrivener:** I'm sorry. I was not involved with that building.

**Mrs. Campbell:** No, right. Thank you.

**Mr. Chairman:** Mr. Wildman.

**Mr. Wildman:** I have a question which relates to accommodation, but not office space. It's the question of housing which I brought up in the House a few weeks ago. This ministry is responsible for collecting rents for different ministries in many places in the province—in the north especially—the Ministry of Natural Resources housing, Ontario Provincial Police housing and so on. In answer to my question the minister indicated that the rents would be rolled back and the people living in those accommodations would receive rebates.

It's my understanding that a number of these people have yet to receive their rebates and the latest pay cheques were deducted at the same rate as previously. I understand that this is administered by the individual ministries involved. I would like

the minister, if she could, to explain how this works and how long it might be before these rebates are received and the cheques are adjusted to the lower rate for rents, and just generally how the whole rental procedure and administration of it works. Your ministry is responsible, but it appears that the other ministries are the ones that actually collect it and then pay you—or what? I don't know exactly how it works.

**Hon. Mrs. Scrivener:** I announced in the House, in response to your question, that these rebates would be made. So, that is a positive statement of fact. They will be made.

**Mr. Wildman:** Right; I am not questioning that, Madam Minister.

**Hon. Mrs. Scrivener:** That's number one step. Next, each ministry has its own accounting procedure, and each one will then have to be computed individually. I think this may take a little time, but I would think it's just a matter of weeks and it will all be collected.

**Mr. Wildman:** Actually my question was not specifically—

**Hon. Mrs. Scrivener:** It's something the computer can't do.

**Mr. Wildman:** My question wasn't specifically on that; it was sort of a more general question—if you could explain the whole procedure of how this works. That is, what the relationship is between the ministries involved; that is, your ministry as the one with the overall responsibility.

**Hon. Mrs. Scrivener:** We are on a different vote, actually.

**Mr. Wildman:** Oh, does it go under another vote?

**Hon. Mrs. Scrivener:** Do you want to discuss it now and open the whole thing up?

**Mr. Chairman:** Apparently this comes under vote 804.

**Mr. Wildman:** Vote 804, all right. I wasn't sure when I brought it up—

**Hon. Mrs. Scrivener:** I just didn't bother to correct you, because I thought you wanted a simple answer.

**Mr. Wildman:** I asked the chairman, and he said to go ahead. Okay, I'll come back to it then.

**Mr. Davison:** The building that you were just discussing—what was the address?

**Hon. Mrs. Scrivener:** 151 Bloor St.



**Mr. Davison:** I asked some questions earlier about this provision of accommodation programme in regard to policing, the vacancy rates and other things—I take it the answers are forthcoming?

**Hon. Mrs. Scrivener:** Oh, yes.

**Mr. Davison:** And will you include, please, when you do give me those answers, an explanation of the building at 77 Bloor St., because I understand—

**Hon. Mrs. Scrivener:** I have the answers to your questions. I am sorry, I should have led off by giving these to you. May I do this now?

**Mr. Davison:** Sure; all right.

**Hon. Mrs. Scrivener:** Mr. Chairman, I have answers to questions which were asked in the estimates review earlier. Under vote 802, item 1, Mr. Davison asked for copies of the monthly vacant space reports, and I am pleased to give him copies of these reports now. There is one for Metro and one for the regional inventory.

Mr. Angus, in the same vote, asked me about the existence of a bomb shelter at Burwash. I indicated to him that neither I, nor the deputy, had ever heard of such a thing. Subsequent inquiries have elicited the fact that an old root cellar exists near Camp Bison, and this was built with a concrete entrance and an earth and grass cover. It might easily have been mistaken for a bomb shelter by people with very active imaginations. In any case, I would like to tell the committee that about 18 months ago there was an accident and the roof fell in, and it is no longer capable of being used for any purpose.

On item 2 of this vote, Mr. Davison asked for a breakdown of the difference in costs between the tender price and the total cost of some capital projects. These costs fall in the following categories:

1. Preliminary expenses; that is, building permits, soil tests, advertising and printing costs;
2. Furniture and furnishings;
3. Equipment, and that is loosely described as "loose," meaning separate installation;
4. Telephones;
5. Landscaping allowance;
6. MGS supervision and testing;
7. Moving allowance;
8. Design fee;
9. Post contract contingency;
10. Payments to municipalities;
11. Special allowances; that is, movable partitions, artwork and so on.

I can file copies of this cost information.

[5:45]

On item 3, Mr. Cassidy asked for the capital cost, the operating cost and the

equivalent annual rental for the George Drew Building and another comparable building in Metropolitan Toronto, preferably in the downtown area.

We do not have any recently constructed buildings in the downtown area. The last one in Metro was an office building at Downsview for the Ministry of Transportation and Communications. Accordingly, I can demonstrate the figures for these two buildings, which represent the widest possible range in the types of buildings we normally construct.

The Downsview building is an economical plain office building without special equipment, whereas the Drew Building, built on more expensive land, houses the elaborate pathological facilities required by the forensic sciences element of the Solicitor General's ministry. It also houses the Queen's Park computer centre which requires expensive special installations.

The information which Mr. Cassidy requested was the capital cost, the annual operating cost and the equivalent annual rental figure. For the George Drew Building, the capital cost was \$28,655,000—in round figures, I'm afraid, Mr. Davison. The annual operating cost is \$697,000, or \$1.95 for a rentable square foot. The equivalent annual rental is \$9.92 per square foot.

For the MTC building at Downsview, the capital cost was \$2,741,000. The annual operating cost is \$286,360 or \$2 per rentable square foot. The equivalent annual rental is \$3.96 per square foot.

**Mrs. Campbell:** As I understand the question, was there any comparison done with the capital costs not provided by government in the building of other structures in the same areas?

**Hon. Mrs. Scrivener:** No, we didn't attempt it. It wasn't asked.

**Mrs. Campbell:** I see. I'm sorry, I misunderstood the question then.

**Mr. Davison:** Mr. Chairman, this building at 77 Bloor Street, is it under Government Services or—

**Hon. Mrs. Scrivener:** We have leased space in that building.

**Mr. Davison:** So you're leasing only part of the building?

**Hon. Mrs. Scrivener:** Yes.

**Mr. Davison:** Is it owned by Ontario Hydro?



**Hon. Mrs. Scrivener:** No, Ontario Hydro was the original lessor.

**Mr. Davison:** I see. Ontario Hydro leased it. Then, when they moved out, you leased it and it's leased from a private—

**Hon. Mrs. Scrivener:** Yes. So in other words, rather than undertake space from a new source, we took it from an existing government body.

**Mr. Davison:** Right, but none of the space that you lease, or very little of it, I think, if any, is vacant. If there is any vacant space in the building it's the responsibility of the person who owns it?

**Hon. Mrs. Scrivener:** Is there any space left in that building? We've only leased specific floors. There is very little, as I understand, available.

**Mr. Davison:** No. What I'm saying is that the vacant space in the building is not in the area of the building that you have leased. It is somewhere else in the building, is that right?

**Hon. Mrs. Scrivener:** Yes, I would think that would be so.

**Mrs. Campbell:** Could I ask: In assessing the rent for that building, and you've given the normal and usual rent formula, did the government take into consideration at any time that that building, as I understand it, is one of those controversial buildings on Bloor Street which doesn't pay full municipal taxes? And do you look at that when you're assessing the rent formula?

**Hon. Mrs. Scrivener:** Are you referring to 77 Bloor?

**Mrs. Campbell:** Seventy-seven? I don't know the number. I'm thinking of the commission building which is—

**Hon. Mrs. Scrivener:** Oh, 151 Bloor is one which is excepted, yes.

**Mrs. Campbell:** Did you take that into consideration when you were arranging the leasing, or did Hydro? Do you know?

**Hon. Mrs. Scrivener:** I don't know. Perhaps Mr. Gray can answer.

**Mr. Gray:** Which building are you referring to?

**Mrs. Campbell:** I am referring to whatever the number is where the commission is.

**Mr. Gray:** Yes, 151 Bloor is owned by Corporate Properties Ltd.

**Mrs. Campbell:** Yes.

**Mr. Gray:** To my knowledge it is a private company and I assume they pay full taxes. I didn't know they didn't. I wouldn't understand if they didn't.

**Hon. Mrs. Scrivener:** I stand corrected. I thought we owned the building.

**Mrs. Campbell:** I think it is one of those buildings which is somewhat controversial as the Colonnade is. I believe but I may be mistaken, and I would have thought you might have looked at it that it is built on Victoria College land, as the Colonnade is, I believe. By reason of that, they do not pay full municipal taxes.

**Mr. Gray:** I was not aware of that, if that is right.

**Mrs. Campbell:** So you wouldn't investigate it, then, not being aware of that possibility?

**Mr. Gray:** I was not aware. I know the rent we pay—

**Mrs. Campbell:** It is comparable.

**Mr. Gray:** We consider it a comparable rent to any other building along that area.

**Mrs. Campbell:** That's right—any others who will be paying full taxes to the municipality.

**Mr. Gray:** That's right.

**Mrs. Campbell:** Yes, thank you.

Vote 802 agreed to.

On vote 803:

**Mr. Chairman:** Upkeep of accommodation programme; item 1.

**Mr. McClellan:** I want to deal at some length with this item. I suppose I have been waiting since Sept. 18 to have an opportunity to raise the question of this government's practice of contracting out the cleaning and maintenance of government office buildings to private cleaning firms. It may be more appropriate to deal with that in item 2.

Let me ask, before we get to item 2, if you could give an explanation to me why the programme administration of this item is as high as the total ministry administration budget? That is intriguing.

**Hon. Mrs. Scrivener:** I agree with you. There is a very good answer for it. I will ask Mr. Mann, who is the director, to address himself to that reply.



**Mr. Mann:** When you look at the percentage of the programme administration compared to the remainder of item 2, I think you will find it is about 7.3 per cent, approximately. We have in this branch about 1,487 people who are basically located in Toronto and around the province.

The programme administration deals with the director, the assistant directors, some safety officers, the head office engineering staff, the secretaries, the regional managers, the purchasing staff and the accounting staff. That in a nutshell is what it is.

Basically, what we are concerned with in the programme administration is the overall control and direction of the programme as opposed to the people who are actually carrying out the work. Basically, what we are talking about is that we are using these funds for the payment of salaries, benefits, travelling expenses, etc. for head office personnel and for supervisory and clerical personnel at regional offices.

What they are doing is looking after the overall administrative planning, forecasting, and the control and development of the up-

keep of accommodation programme. We provide assistance in connection with the previous vote, which was the provision of accommodation programme.

We have funds in here for the ministry's safety programme to ensure safe conditions in government-occupied buildings and new building construction sites. We co-ordinate employees' parking. We co-ordinate displays by various ministries at the London, Ottawa and Thunder Bay exhibitions. We administer catering contracts in connection with various locations.

**Mr. Davison:** I wanted to ask a question which is similar, I suspect, to the one Mr. McClellan is going to bring up and I want to ask about it in a policy sense. Do I take it then that won't come under programme administration but rather will come under item 2?

**Mr. Chairman:** Yes, I feel it should.

Item 1 agreed to.

The committee recessed at 6 p.m.



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**Ministry of Government Services officials taking part:**

Gray, W. A., Director, Realty Services Branch  
 Mann, G. A., Director, Property Management Branch



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# Legislature of Ontario Debates

**SUPPLY COMMITTEE—2**

**ESTIMATES, MINISTRY OF CONSUMER  
AND COMMERCIAL RELATIONS**

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

**Thursday, May 13, 1976**

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

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THURSDAY, MAY 13, 1976

The committee met at 3:20 p.m. in committee room No. 2.

#### ESTIMATES, MINISTRY OF CONSUMER AND COMMERCIAL RELATIONS (continued)

On vote 1302:

**Mr. Chairman:** We are on item 6, business practices.

**Mr. Moffatt:** Mr. Chairman, when we stopped last evening we were talking about the problems of home warranties and so on, and under this vote I gather it would be appropriate to raise some typical problems. Mr. Kennedy raised a problem of one of his constituents who had purchased a home and seemed to be unable to get anything done to fix the problems that went on in it.

I read yesterday the copy of the warranty given by this particular numbered company in Oshawa, and I thought maybe I would just share with the committee some of the things that I found when, last Sunday, I visited about 20 of the homes in that subdivision and over the course of a couple of hours was just shown from place to place to view some of the problems. It is not a very nice way to spend a Sunday, but it was worthwhile.

Some of the things I am going to mention obviously will be parts of the business with regard to the building code. Whether you would like to have them read in now or later, doesn't matter to me, but I don't want to go by without talking about them to some extent.

**Hon. Mr. Handleman:** Mr. Chairman, I have no objection to dealing with matters under home warranties which involve the building code, because quite often, obviously, the building code is going to have an effect on the home warranty legislation. I again point out that the legislation, the building code, was proclaimed on Jan. 1 of this year, notwithstanding that we have been working on it for about 2½ years—it's a very tech-

nical document—so anything which was constructed prior to the building code would not be affected by it. It is not retroactive. To that extent I have no objection.

**Mr. Moffatt:** The reason I want to deal with this at this time is, if I were asked what was a major criticism of the way consumer protection is dealt with in this province, it is the fact that the minister prides himself on the fact that the ministry really has very few people working for it: "It is a low-key operation. It is a low-profile operation in terms of employees. We don't use the personnel branch very much because we don't hire many employees." If there is something wrong that is one of the things—not the major one perhaps—that is really wrong, and I suspect that is in large part connected to the minister's attitude.

It seems to me that if we are really going to do a job to protect consumers we should demand that there be enough staff, of whatever investigatory stature or in whatever location you want, who will be able, when a complaint is made, will be able to look into it. If there is apparently a field where a number of complaints are coming up, where you get 10 or 15 phone calls on home defects or you get a number of phone calls from people with regard to the use of credit disclosure or whatever, there is a necessity for this particular ministry to have at least the minimum number of staff to get out into the field and find out what is going on.

When questions are raised with the ministry, we find invariably that the people are forced to tell us, "Look, we don't have the staff to get out and investigate those problems." Remember the number of cases I turned over to you about the problems in Vanstone Court in Bowmanville? Those people have yet to see anybody who even looks or smells or sounds like he represents the Ministry of Consumer and Commercial Relations. That is a real error on your part.

If you want to really do something effective, I suggest that what you need is to take on the required number of staff. It doesn't require an army; it doesn't require 8,000



people, but it requires some pretty effective people who can go out in the field and look at a problem, and talk to the consumers who are directly affected, and say, "Okay, this is what we are going to try to do." Mailing out a pamphlet, or phoning, as was done in Vanstone Court, is not effective.

I don't want to sound critical of the people in the ministry who have to implement the minister's policy, but those people really had the job of saying to my constituents and myself, and people who phoned, "Look, we have talked to the builder. We phoned the builder and we asked him to report to us when he has corrected the situation." The builder in that particular case—and I suspect in this one as well; it always seems to be this way—when you go and talk to the people directly concerned they say, "He is a nice fellow. He is friendly. He always talks to me, he always comes in for a cup of coffee, or invites me over for a beer, but he never does anything." That's what they tell you.

Over the phone, that nice attitude and friendly atmosphere is bound to come through to the ministry, and it is going to sound as though everything is being corrected. Unless you go into the field and see what is going on, and give assurance to the consumer concerned, you are going to have a continued buildup of problem areas with no apparent solutions.

In this particular subdivision, which is known as Harmony Hills in Oshawa—it is about one-third finished, it is about two-thirds occupied—some of the foundations are not yet built upon. Most of the houses are up. Only a few of them aren't sold. I said it was only one-third finished, because there is no evidence in any case of any real finish grading being done, even though people have been living there since October or November of last year. The complaints that have gone in have been written, have been phoned, have been everything, and I have a collection here. I did not write out these particular questions, but I'd like to tell you what's going on.

The doors in almost every case are so thin that they will not even stand up to being pushed closed—whenever they can be closed—because the doors don't fit the door-jambes. In my car, in the parking lot, is a portion of a door which was sawn off by one of the people—and I will bring it in later. I'd like to tell you that the door—it's an interior door from one of these new homes—is made of perhaps a little bit better than 1/16-in. Masonite on each side, and the core of the door

is made of cardboard. It's nothing else but corrugated cardboard, woven in a sort of pattern throughout the door and glued to keep the edges from crashing together, I guess. That's all it's made of. It has a little piece of wood, about half an inch or so thick, around the outside to make it look as though it has a wooden core. That door won't last a year, let alone the time the homeowner is going to have to take to pay off the mortgage.

What we are doing, in that case, is building an instant slum. Those people, no matter how hard they work or how much they take care of those houses, cannot in any case keep them up to any kind of standard that would be acceptable to the rest of us.

And the windows: Invariably, on a day when there is the slightest breeze blowing, if you put a sheet of paper in front of the window—if you just hold a piece of newspaper up—it will blow as though there is a full-scale gale coming right through, because the windows don't seat properly in the frames at all. The plastic insulation or weatherstripping, or whatever it is that goes around and is supposed to be a seal, in fact is so loose—because it is easier to slip them together that way—that there is no seal at all. In half the cases you might as well not have a window.

The electrical outlets don't fit the walls. In one case the electrical outlet and the phone outlet were installed in the kitchen in the only place—the cut-out area under the cupboards—where the refrigerator could fit. The only place the refrigerator could go, in the space that will fit the cupboards, is where the phone was. What kind of foolishness is that? When they complained about it, the builder said, "I haven't time to deal with it" or "I'll come back some time"—and four, five or six months have gone by.

One of the models in this particular subdivision had a false front on it; it is a brick veneer type of home of one storey, and the false front extends about 18 in. above the roof line. The roof comes down against the rear of the false front. When you climb up on the roof and look at the flashing that is supposed to seal between the edge of the asphalt shingles and the masonry, instead of coming up the first three or four courses of bricks and being tucked and mortared into the brick, it just bends up about 1½ in. above the roof line. The eventual result is that, whenever it rains, the water comes down the roof, builds up at this false front, which is a natural dam, comes up over the top and runs down in through the house. When you phone the



builder he says, "That's all we have to do. That's in the building code." Something is wrong here somewhere.

If you go into the basement, you find that the floor joists are  $1\frac{1}{2}$  in. by  $7\frac{1}{2}$  in.—and I measured every one in a particular house so I would be sure of this—and they are 24 in. apart on centre. They are covered with wood that's a little less than three-quarters of an inch, or  $\frac{3}{8}$ -in. Aspenite. In almost every one of those houses, you can walk on the floor and it feels as though you are walking on top of a plastic sheet on water, because the entire floor moves; there is not enough strength there to carry normal weight. In three of the houses that I visited, one or more of the boards was actually broken. The span between the two joists was so great for the kind of flooring, that you really couldn't walk safely or jump on it.

All these houses are owned by fairly young families, so they have small children. When their kids get to be the age of mine, those houses will fall apart.

[3:30]

One of the things that I really think happens in such developments is that nobody really cares enough to make sure they're inspected properly. I particularly looked at the way in which the electrical wiring was installed. Sometime I'm going to go to the building inspector or to the Hydro inspector to check on this particular development.

Wherever the electrical wiring runs through the joists it's ordinary aluminum wire. I suppose, that goes through 1 in. holes drilled in the joists. When I worked in construction we used to drill  $\frac{1}{2}$  in. holes and push the wire through and fit it so it was tight. It's faster, I guess, just to poke it through a 1 in. hole.

Where these wires go through the joists and a lateral heating duct runs along the joists as well, the wire goes over top of the heat pipe and sits on it. That's not very safe, so what they did was take broken pieces of gypsum wallboard, sheetrock I guess, in pieces about 6 in. by 3 in., and set them on top of the heat pipe in order to keep the electric wire from touching the heat pipe. It's not fastened. It's insulation as long as it stays there. If a kid climbs up on a chair and picks off one of the pieces of gypsum, or it falls down because of vibrations in the house, the fire potential in each one of those houses is phenomenal.

Whose job is it to inspect that type of workmanship? How does the consumer go about getting it fixed? If they phone the

building inspector in the city of Oshawa he says: "Look, I've got so many projects under way I can't keep up with them."

A number of the people had specific complaints about practices I don't know how you correct. There is the question of the floors not being properly supported. If they come within the code then the code is wrong. If they don't come within the code how do you get somebody to put a new floor in a house? How do you fix it? I don't know. If I worked in that business I might know how you would go about improving that.

You might try putting in extra joists and then another  $\frac{1}{2}$  in. layer of plywood on top in order to even things out. Then you would have to take all the doors down in order to get clearance. I don't know how that gets fixed.

One thing that struck me as being rather funny was the way in which the houses were finished inside. In some cases there was only one coat of paint. It was thrown on so that everything in the house, doors, the plastic cover on the inside door chime was spattered with paint. Everything in the building—the hardwood floor, the tiles, the electrical fixtures—was done in such a sloppy manner as to be non-acceptable.

Who inspects? The builder inspects, except the person who did the painting was a sub-trade contractor who probably came from the other end of the province. They always seem to live 100 miles away. I suspect there's a lesson to be learned in that. They either can't be found or are out of business. I know, the answer is the home warranties Act; that will change that. But what do we do about these people now?

Mr. Kennedy raised the question the other day as to when the home warranty programme takes effect. The houses these people in Harmony Hills are living in are not yet finished and they're not going to be finished. They're not going to be finished for five or 10 years. If that's the case, will they come under the home warranties Act? I think that will be an interesting test case the member for Mississauga South raised. I don't know how we'll deal with that one.

One of the other points I wanted to raise in addition to that of bad painting is the lack of planning that has gone into the building of some of the houses. Somebody poured the basement. If they happened to be square and true, fine. If not, when they get up to the first floor they cheat a bit, an inch or so on each of the walls, and get them up so they come a little closer. By the time they



get to the second storey they should have the thing pretty well back into line.

Let me tell you what happened in one of these particular models. All of the two-storey models have a stair riser which doesn't end next to the wall. It ends 4 in. to 5 in. out from the wall. If you go up the stairs there's a kind of ledge. Outside this ledge comes this one riser. Instead of finishing that off, they left the riser sticking out 4 in. to 5 in. above the floor, put the hardwood flooring all around it, and left it. So you have a piece of pine riser coming up and sticking up like some kind of ledge, much larger than one of those water glasses, above the floor. It is not in against the wall, it is out, so that if you walk along you stub your toe on it or trip and fall down the stairs on it.

One person made the mistake of complaining to the builder about this. You know what they did? They sent in a worker with an axe to cut it off. He just hacked it off. That fixed it. No longer is that thing sticking up. How do you get that corrected? Those people have a real problem with that sort of thing.

When I installed aluminum siding on my house, I put backer board behind it. It was nailed every 16 in. so that there was some substance to it. In these houses, there is no backer board under the aluminium siding. The siding is just nailed on. It looks the same as regular aluminium siding but when you push on it you suddenly find that it is not, because there is nothing behind it. It is just hanging there.

What do you do? Do you make the guy come back, tear the siding off, put proper backer boards under it? Who can take some action?

None of those people, first of all, can afford to go to court. None of them can really afford to retain a lawyer. They have already paid out legal expenses and land transfer taxes and everything else. It really makes some of them suspicious about the way land transfers and everything else are arranged in this province.

They can't take any more legal action. Most of them are paying between \$10 and \$11 a day in interest on these houses. We are playing with their entire security and I just don't think that there has been any real attention given to those problems.

How many people do you have who work in the business of finding out what is wrong in the building industry; finding out what the consumer problems are? Do you have anybody who actually goes out and looks at 200 new subdivisions a year, just to take a

look and say these are current practices in the business—good and bad practices?

Builders and contractors find innovative and creative ways to do things. Some of them are good and they cut time and save money; some of them are downright dangerous and some of them, like the electrical wire over top of the heat pipe, are hazardous in the extreme. What do you do to protect the consumer?

If you tell me once more that your ministry doesn't have the help, then you know who is wrong. It is the minister, because he has not put the initiative into getting the help that can do the investigation. That's a severe problem and I would really like to hear your comments.

**Hon. Mr. Handleman:** I think you have had our 15-minute discourse on why we have a building code, which we didn't have until Jan. 1 of this year. It was first proposed in 1971 and the people who enforce the building code are all of those hundreds, if not thousands, of municipal building inspectors across the province. Those are the people we use. I don't see any reason why we should try to duplicate that kind of effort in our ministry. They are there; they have the practical experience; their job is to ensure that the building for which they have issued a permit is built according to the building code.

If they haven't done it, those are the people I think you should blame. If these buildings were built before Jan. 1, then obviously they escape the umbrella of the building code simply because it wasn't in effect. There is a National Building Code; each municipality has its own little bylaws and that's why we brought in the uniform building code for every place in the province. We are getting complaints about it.

We are, in fact, insisting on higher standards in some cases. Then we have those municipalities which say well, that is fine, but we would like to have our own municipal bylaws—local autonomy. Our attitude is that you can't have a uniform building code if you are going to have local autonomy. It has been negotiated; it has been put before the Provincial-Municipal Liaison Committee. We get requests for amendments which we are listening to but every amendment that we have is going to have to be a province-wide amendment.

There are many reasons for the building code, aside from building standards. There is also the whole question of economy of scale in developing uniform components.



**Mr. Moffatt:** I will agree with that.

**Hon. Mr. Handleman:** These are the things we are trying to achieve. Many of the practices that you outlined would be absolutely contrary to the building code as it now exists. One of the things that we have had to look at, of course, are the levels of qualifications of the municipal building inspectors. Not all of them are completely competent to do the inspection job that is necessary.

In many cases the mortgage company, in order to protect its investment, will do an inspection at various stages. It is not always to protect the consumer, but the end result of it is at least to add something to consumer protection. Their job, of course, is to protect their investment. But by protecting their investment they would normally insist on a fairly durable standard of construction—a decent standard. If the house falls down before the mortgage is paid off, they are the ones that lose.

There are a variety of techniques for dealing with it. I just repeat again that I don't believe that the provincial government should be always the protector of last resort, that after you have gone through all of these various procedures, then finally there is going to be somebody who is going to come in and do an overview of what everybody else has done. It is repetitive. It is duplicative. It is wasteful.

I am not suggesting we couldn't use more staff. That is something I wouldn't want to say and I have never said to anybody. We can always use more. When you mention we don't have very many employees, I suppose if you include all the employees in the agencies which come under the umbrella of the ministry we are talking in terms of around 6,000. They are very thinly spread, I quite admit. We have a variety of activities and that means nobody is overstaffed. I wouldn't want to look at the number of people we have and say we are going to have to triple or quadruple that because they can't deal with every situation.

We know about Vanstone Court. You have brought it to our attention. You say we have called the builder. We have also contacted a number of residents. You say nobody has ever heard from us. All I can say is that we have contacted some of them—not all of them—because in many cases the complaints are repeated several times, for example, as you mentioned, the doors. As I understand it, and Mr. Graham Adams is here, there is no standard for interior door construction

under our building code, just for exterior doors, storm doors and that kind of thing.

**Mr. Kennedy:** There is nothing to prevent a municipality from charging its inspectors with inspecting the quality of work as well as the standards. If they so desire to check out whether there are cracks or not, they could do that.

**Hon. Mr. Handleman:** They can. I doubt if they would have any authority to enforce the quality of work standard.

**Mr. Kennedy:** This is what I am saying.

**Hon. Mr. Handleman:** That is the kind of thing I think we will have to depend on the warranties plan to do.

**Mr. Kennedy:** Certain municipalities do have skilled people who could do that.

**Hon. Mr. Handleman:** Oh sure.

**Mr. Kennedy:** If there is going to be a new Act, maybe there is an asset there. It makes more sense to me. They are inspecting the standards and, while they are at it, they could check the quality of the work as nearly as they could tell at the time.

**Hon. Mr. Handleman:** I think that will occur under the home warranty plan. Under the building code, there is a different responsibility here to ensure that the building, whether it is a residence or a commercial building, is constructed in accordance with the building code. That is the function here. Mr. Adams can tell you where the building code deals with quality and where it deals with standards and durability. Perhaps, Mr. Adams, you could mention those items Mr. Moffatt touched on which aren't covered in the building code. I think most of them were.

**Mr. Adams:** You mentioned the paint and a few other things, the cosmetics of paint and wallpaper and what not. There is no standard for interior doors, just one for exterior doors. There is a standard for windows. There certainly is a standard for flashing.

**Hon. Mr. Handleman:** Just out of curiosity, because I don't know anything about the building industry, does the standard for exterior siding, for example, require the backup?

**Mr. Adams:** It does if it is a flexible siding.

**Mr. Moffatt:** I raised floor joists as an example, the question of standards in joists or in floors. Is 1½ by 7½ on 24-in. centres acceptable?



**Hon. Mr. Handleman:** We'll have to look at the code.

**Mr. Adams:** It is all spelled out in the tables in terms of spans, loads and what not.

**Hon. Mr. Handleman:** Just recalling my own experiences, the normal CMHC standard is on 16-in. centres.

**Mr. Moffatt:** I know. I was amazed when I walked into this.

**Hon. Mr. Handleman:** I know the CMHC code because I have two houses constructed under CMHC. They did the inspections, such as they were, which was three times. They do have standards and most of the builders comply with them.

**Mr. Moffatt:** In such a project what I would like to know is where one sort of service takes over and another one ends. One of the interesting things in this particular subject—I'm sorry?

**Mr. J. K. Young:** Which floor was this? The ground floor?

**Mr. Moffatt:** The ground floor.  
[3:45]

**Hon. Mr. Handleman:** I think I can answer you. What they are putting in place, I hope, with the building code, with the home warranty plan, and with the municipal standards training programme that we are developing, is there will be a completely integrated programme of both components and quality of workmanship, covered by the warranty. You must comply with the code, that's the first thing. And no builder can build except under the Ontario Building Code—well, that's a mandatory thing anyway. But that's part of the warranty programme.

Then the warranty, of course, determines what are the defects. Now, if there was no minimum standard for interior doors, then I doubt very much whether the warranty programme would be able to cover it. But this could be included in the person's warranty. And when you talk about retroactivity, our present plan is to have the warranty become effective when the buyer takes possession. The builder takes out the warranty when he takes out the building permit.

**Mr. J. K. Young:** You have to tell us what the material was, because there is a different standard for different places.

**Mr. Moffatt:** Okay, it was 1½ by 7½ in spruce.

**Mr. J. K. Young:** Spruce. Okay, we will go back to the table.

**Mr. Moffatt:** This is going to make for great building inspections, I will tell you. But—

**Mr. J. K. Young:** You have got the experts here.

**Mr. Moffatt:** While that's going on, can I just give you an example of one service leaving off and another one taking over and a big gap between?

**Mr. Chairman:** The Chair is going to intervene. We are getting mixed up between warranties, house warranties and the building codes. There is a specific vote for building codes. If you want to deal with the building code in a determinant way as we are presently doing, then I think that should wait for that particular vote.

**Mr. Moffatt:** I still have some more on this particular vote.

In looking after the interests of people who purchase commodities, tell me what happens in this case: The Consumers' Gas Co. installs its gas pipeline to the house, and the local utility company, or plumber, or somebody, installs the furnace and water heater, and installs them in such a way that the connection cannot be properly or safely made. Who does the consumer go to then?

In these homes all of the pipes which feed the furnace come in and rest directly on the heat chamber of the furnace. The gas, in other words, goes right across and sits on top of the furnace. They have positioned the water heater in front of the spot where the filter has to be removed from the furnace for cleaning, so it is impossible to get the filter out. Now, who does the consumer complain to?

**Hon. Mr. Handleman:** I would have to ask a lot of questions in order to provide you with an answer, so—

**Mr. Moffatt:** Go ahead.

**Hon. Mr. Handleman:** —was it after the consumer moved into the house when he contracted for this work to be done? Was it done by the builder or somebody under contract to him? Because you are asking a question of legal liability.

I don't know who is liable. This is something that would obviously have to be determined by somebody, not me.

If you are asking where he goes to complain about this, I presume he goes to the



person who did the inspection when the installation was done. Somebody has a responsibility to approve this; if the builder did it, he should go to the builder. If it was the contractor who put in the water heater—is that what you are saying?

**Mr. Moffatt:** Yes.

**Hon. Mr. Handleman:** Then I suppose he has to go to whoever did that for him—or whoever did it for the builder.

**Mr. Moffatt:** And he does and the person says, "Well, that's where I was supposed to put it. That's what the blueprint called for; I am not going to do anything about it."

**Hon. Mr. Handleman:** The blueprint calls for that? Then obviously somebody who issued the building permit should not have issued the building permit, if the blueprint called for that.

**Mr. Moffatt:** Does your staff go to, for instance, the town of Newcastle building inspector? Has any person on your staff talked to that building inspector, about the construction in Vanstone Court?

**Hon. Mr. Handleman:** I don't know. I guess our business practices people have been there. Has anybody been to the building inspector?

**Mr. Weinstein:** The whole issue here, Mr. Minister, is one that has to be examined in practical terms. You are talking about a programme here that could take—your guess is as good as mine—literally hundreds of people. We don't even have the legislation which directs us into these fields. But there are levels of inspection involved, and including, as the minister said, the inspection done by the mortgage company.

I don't know how many subdivisions are presently in work. If we were to be responsible for the type of inspection being discussed here you are talking of literally hundreds of inspectors to control. Our entire inspection staff today, covering 12 pieces of legislation, is a small fraction of the number of people needed for this type of venture. This is what is involved. This is the implication of your posture in this matter. How could we possibly even start to effect inspection in this type of situation?

**Mr. Moffatt:** The question asked, I suppose, in answer to yours—how could you start?—is has anyone from your branch contacted the building inspector in the municipality of the town of Newcastle?

**Mr. Weinstein:** We are not even seized of this type of operation. We don't have any legislation today that even comes close. We are functioning, as an example, under the Real Estate and Business Brokers Act. We control the activity of brokers. We don't even control any form of activity having to do with building. Our registrar does, unofficially, speak to builders. Under the legislation he's not even supposed to be talking to builders.

What piece of legislation is supposed to direct our activity? The Business Practices Act specifically excludes real estate in any form except service which attaches to real estate. Where are we supposed to be functioning? What legislation exists that would permit us to do any part of these things you're talking about?

**Mr. Moffatt:** If building a home on a piece of property is a service attached to real estate, I would think it's there. Under the Consumer Protection Act, it would seem to me, you have at least some peripheral chance to call the building inspector in a local municipality where there have been a lot of complaints specifically to your ministry, to your branch, from people in that municipality and from the local member. When you get that kind of complaint, is it the common practice of your branch to phone the building inspector in the area concerned and say, "This is the Ministry of Consumer and Commercial Relations in Queen's Park. We have complaints about a subdivision in your municipality. Could we have some report as to the kind of workmanship and the completion of that particular project?"

**Hon. Mr. Handleman:** Before Mr. Weinstein speaks I think if we did that the building inspector could tell us what to do. We have no authority over the building inspector. The building inspector is an employee of the municipality. He works for another government.

**Mr. Singer:** Let alone his reeves or his mayor and all his councillors and aldermen.

**Hon. Mr. Handleman:** I would suggest that you're asking us to intervene in something we have no authority to intervene in. One of the reasons we have developed a home warranty plan is to try, by declaratory legislation, to make a programme compulsory for all builders to adhere to. To suggest always that if all else fails we'll ask the government to intervene and do it, as Mr. Weinstein has said—you're talking about only one activity, which is the building of homes in this province.



We literally have—I don't even want to try to guess at the number of thousands of different business activities which affect consumers. You're talking of one activity requiring hundreds of inspectors; multiply that by thousands and there won't be any need for any businessmen because they'll all be working for us.

**Mr. Moffatt:** But the minister constantly says, on radio and on television—and you'll probably say it tomorrow to the Consumers' Association—this is a consumer-oriented ministry—

**Hon. Mr. Handleman:** Right.

**Mr. Moffatt:** —and you act to protect the interests of consumers. For the most significant purchase any family makes, that of a home, there is no protection of the consumer at all in this province.

**Hon. Mr. Handleman:** That's why we're bringing in the first compulsory home warranty plan in Canada—anywhere in Canada, including some of the provinces to the west of us who still rely on voluntary plans operated by the builders and who have no intention of going into compulsory universal legislation.

**Mr. Chairman:** The speakers are as follows: Mr. Kennedy, Ms. Sandeman and Mr. Reed.

**Mr. Kennedy:** I pass.

**Ms. Sandeman:** Mr. Moffatt's been speaking about some of the problems of consumers faced with substandard houses. When they make a major purchase of a new home they expect to get certain standards and, as you say, the building code should help with that from now on.

I've been concerned for some time about protecting buyers of new homes from some practices which seem to me to be as dangerous in their implications for the buyer as the poor doors and flashing and so on.

I was a little concerned just now to hear Mr. Weinstein say that the Business Practices Act excludes real estate. Does it include the whole process of buying real estate—that is the service end of it? It includes that?

**Mr. Weinstein:** We have a shopping list of 22 unconscionable practices, and real estate is specifically excluded, if you can exclude something specifically. Real estate is not included in the type of product or service which comes within the purview of the Business Practices Act.

**Ms. Sandeman:** Oh, I see.

**Mr. Chairman:** There was a long debate—

**Hon. Mr. Handleman:** Yes there was quite a debate on it—

**Ms. Sandeman:** Yes, I apologize.

**Hon. Mr. Handleman:** —in committee and in the House.

**Ms. Sandeman:** Yes. Owing to the vagaries of the voters in the Peterborough riding or something, I wasn't there for that.

Perhaps you could tell me then, where consumers get protection in this case? They are buying a home and they believe that they are buying from the builder. The transaction is completed and they then discover that they have bought from a holding company or an individual who has bought up one new home or a group of homes and within two or three weeks has added \$7,000 to the price. The house is resold to the young couple who come into town looking for a new home and see a real estate sign on a lawn and go down to the real estate company. They go through the transaction and then discover that they haven't bought from the builder. They have never been told that, and because they haven't bought from the builder, various things flow from that. One of these, I presume, would be that they have lost the right to have the holding money—you know what I mean; I don't think I have got the right technical term for it.

**Mr. Weinstein:** The deposit.

**Ms. Sandeman:** The deposit. Thank you very much. So if there are problems with the construction of the kind that Mr. Moffatt is describing, they really have to get that intermediary, the guy who really ripped them off for \$7,000—the speculator. They have to get him to put it right.

There are various examples of this that have gone on in the past. I am wondering what protection there is now if the Business Practices Act doesn't cover it specifically.

There are further unpleasant ramifications of this. People may go to the real estate company, and believe they are buying from the builder, and are told by the real estate company during the course of the transaction, "We are authorized to suggest to you the names of three lawyers who could help you, but we suggest that you go to Mr. X because he will give you a discount." They go to Mr. X in good faith and when everything is signed and sealed they discover that they have bought the house from Mr. X. It is a pretty upsetting thing to discover that



your lawyer has this kind of conflict of interest, that you are buying from him and not the builder. What kind of protection—

**Mr. Weinstein:** The Law Society of Upper Canada was apprised of that matter some six years ago. It had to do with young lawyers who were leaving business cards at sales offices. They were brought before the Law Society and reprimanded.

**Mr. Breaugh:** That ought to do it.

**Ms. Sandeman:** I am not referring to six years ago.

**Mr. Weinstein:** I am telling you that at that time the Law Society was made aware of this type of conduct. Lawyers are not supposed to have a conflict of interest; they are not supposed to advertise their wares and there is a disciplinary body that is supposed to take care of that situation. Certainly it is not good if a lawyer acts on both sides of a transaction—

**Mr. Chairman:** Particularly if he is acting for himself.

**Mr. Weinstein:** And it is even worse when he is acting for himself. That might make even three parties to a transaction. But how could we protect against that?

**Mr. Chairman:** He is subject to disbarment, of course.

**Mr. Singer:** If there are any cases like that, why don't you take them to the Law Society?  
[4:00]

**Ms. Sandeman:** The cases I am referring to are before the Law Society, and that is a ramification.

In a case where the middleman is not like this—when it is some kind of holding company and the sale is represented to the purchaser as being directly from the builder, and I'm sure there are many cases, and I know of some, where there is this kind of middleman who buys the house just as a speculative thing, makes his \$5,000, \$6,000, \$7,000, and sells it two weeks later—you're telling me that the Business Practices Act doesn't protect the consumer, but isn't there some other piece of legislation that I could direct people to?

**Hon. Mr. Handleman:** There's the land speculation tax.

**Mr. Chairman:** One of the glories of free enterprise.

**Mr. Weinstein:** If our Mr. Cox is made aware of misrepresentation made by a broker or his salesman—

**Ms. Sandeman:** Mr. Cox?

**Mr. Weinstein:** John Cox is our registrar under the Real Estate and Business Brokers Act. Where we are dealing with registrants who are brokers or salesmen, and proper evidence can be adduced that there was this type of misrepresentation, then we have something by which we can operate. But this has to do with registrants, of which we have a scad—like about 30,000.

**Ms. Sandeman:** That's a scad.

**Mr. Weinstein:** But there we can move.

**Ms. Sandeman:** Yes, thank you.

**Mr. Singer:** Could I put to the member the question of what happens if the speculator gets in and then the house price falls? Is somebody compensated?

**Hon. Mr. Handleman:** I think you're talking about a situation that was fairly common before—when was it? April, 1974—prior to the imposition of the land speculation tax.

**Ms. Sandeman:** Yes, that was a help.

**Hon. Mr. Handleman:** Obviously, that has dampened down that kind of situation. I must tell you that most of those people, because I was responsible at that time, were not large speculators. They were the average housewife who had a few thousand dollars and made four or five down payments on condominiums, sure that she could make her profit in two or three weeks. These were not large businesses doing this. A taxi driver would tell me as I went along, "My God, you brought in that Act, and you've ruined the free enterprise system."

**Ms. Sandeman:** The Act has certainly been a help.

**Mr. Reid:** I just have one question as a point of information on this subject, and then I'd like to deal with another subject.

Under the proposed home warranty plan, can you give us any indication of at what stage you would deem a home to be in a finished condition? I say that in relation to what may happen upon implementation of this home warranty plan where there are houses in various stages of construction—in my own constituency, I might add—with problems. Will we have some sort of way of defining that?



**Hon. Mr. Handleman:** My understanding of the draft legislation is that there are two ways of doing it. One is, of course, where the builder and the buyer agree that it's finished; that settles that. It's finished and from that point on the warranty takes over.

If a home buyer moves in prior to completion, and quite often they do, because they want possession, then the builder is required, of course, to finish it under the home warranty plan and there's an agreement. If there is no agreement as to when that home is finished, then it can go to mediation. In other words, a mediator will determine the date on which the warranty starts and when the building ends.

But, normally, I think you would say that the date of clear possession by the home buyer is the day on which the warranty should commence—and that will apply in most cases. There will be the odd case where there's an overlap.

**Mr. Reed:** Where the warranty should commence.

**Hon. Mr. Handleman:** Yes. In other words, the builder has moved out; the buyer has moved in; he's taken full possession from that day, and the years extend from his date of possession. But that won't always be the case. It may be extended because he moved in before completion.

**Mr. Reed:** Okay. Thank you very much.

I have a question about the fraud squad that you set up last August.

**Mr. Moffatt:** I thought that was Frank Drea.

**Mr. Reed:** I was wondering how effective you feel that has been. Have you had the response from the public that you anticipated? And how many prosecutions have resulted from your investigations?

**Hon. Mr. Handleman:** The fraud squad is an investigations branch, really, under Mr. Mitchell. If you're asking me my personal opinion, I've been exceptionally pleased with the activities of the investigations branch under Mr. Mitchell. I think some of our law enforcement agencies could take some lessons from the way it operates. It operates very effectively and quietly, which I think it should. It's really an investigative agency, and I don't think it should act with high visibility and a high profile, wandering around with a truncheon waving at people.

It does a great deal of effective investigation. I am satisfied with it. Some of the

prosecutions that we have undertaken have been won and some of them have been lost.

I, quite frankly, have never accepted that those we have lost have been the fault of the investigations branch. There have been other people involved in them and we have had cases dismissed. I think they have been doing an excellent job. The number of prosecutions that arise from investigations perhaps are not terribly indicative of the work that is done. Most of the work is completed in the form of a mediated settlement. In other words, it is not necessary to prosecute every case because under the Business Practices Act, particularly, a violation need not be intentional to be a violation. Mr. Mitchell can probably give you better statistics than I can as to the activities of the branch. I don't want to talk about any current investigations.

**Mr. Reed:** No, sir, I really am trying to get at just how much activity there is. I'm not so interested in the details of anything that is currently happening, but just how many cases. Do you know how many you have mediated, how many have you had to take to court and so on?

**Hon. Mr. Handleman:** Investigations in process is the only one I have. Do you have any?

**Mr. Mitchell:** At the moment, I believe, we have 77 charges before the court. This involves 22 persons. The bulk of the charges are under the Business Practices Act. We have a number of criminal charges laid which have resulted from investigations under our various statutes. We normally don't undertake a criminal investigation in the first instance; it is something that arises from an investigation we commence under one of the 12 statutes.

As to mediations, we have a number of mediations under the Business Practices Act, like proposals for cease and desist orders and assurances of voluntary compliance. I think there have been approximately seven.

**Hon. Mr. Handleman:** I do have it in terms of dollars. You asked how much mediation there has been. In terms of dollars the redress for consumers under various Acts in 1975 was approximately \$1.3 million. These are refunds obtained through mediation.

**Mr. Reed:** So you are satisfied that it is functioning well and doing the job it is intended to do?

**Hon. Mr. Handleman:** I have expressed my dissatisfaction on this before and it



usually results in a very short-lived wave of mail. I really feel that consumers do not complain enough; I really do. I am not suggesting that every time somebody feels dissatisfied they sit down and write a letter to the Minister of Consumer and Commercial Relations. I think the first thing to do is to go to the person whose service or product they've been dissatisfied about. But a lot of them drop it.

Many people are shy and say, "Oh, well, I won't go back there again." That is another force on the market when people say, "Look, I haven't been satisfied" and enough of them start not going back. Repeat business is usually what businesses are founded upon. But I think when they reach an impasse, they shouldn't just drop it. They should try to get some satisfaction.

You talked about what I am going to say to the Consumers' Association. I think every one of their chapters should be instructing people on the Business Practices Act. We will provide them with the material and let them use their manpower. I think they should be doing it. This is one of the things we are saying, that consumerism is really the consumer acting and we'll try to intervene with whatever legislative techniques and tools we have.

But that is the one complaint I have, that people are just apathetic about consumerism.

**Mr. Reed:** Yes, I tend to agree with you. I have one other question. I would like some comments from you on the rusty Ford issue. As you know, the business of rusty Fords has once again come into prominence with apparently some people wanting to contest this problem in law. At this stage I don't know how far along it is. However, some of the major protagonists are in my own riding.

**Hon. Mr. Handleman:** I was talking to one of them this morning.

**Mr. Reed:** I am concerned with this issue and I realize that we cannot legislate for everything that happens, especially in terms of the sale of a product and in spite of the fact that there is a Ministry of Consumer and Commercial Relations I think we still have to accept the "let the buyer beware" premise.

However, when one purchases a vehicle we do expect a certain performance from it, although we do accept now—I don't think it's quite right but we tend to accept it—the built-in obsolescence there is in most of these things. An automobile or a truck is the

second largest single purchase; I won't say investment because it is something I would not consider an investment. It is a total loss over a period of time.

**Hon. Mr. Handleman:** Even so, it is an investment.

**Mr. Reed:** It is the second largest purchase and because of its depreciating aspect it is probably one of the things that make the economy go round. There have been some rather interesting problems in this particular situation, as you are aware and as I have made your ministry aware by letter. Are you intending to deal with this issue or are you intending to stand aside at this particular point?

**Hon. Mr. Handleman:** First of all, the Ford issue, of course, is in the courts. That's a question which has been initiated by an organization called the Automobile Protection Association with headquarters in Montreal. It's partially funded by the federal government and the Quebec government. It has taken a class action and presumably the courts will deal with that.

Our plan in dealing with warranty legislation generally—not necessarily car warranties because cars are one product—is to follow along the lines suggested in the Law Reform Commission report; to bring in the declaratory legislation outlining acceptable standards of quality, durability and performance. I think this is really what we're talking about in terms of the Act. In the event that there is a dispute, to try to mediate and let the cases be settled.

Other provinces are following different approaches. Our view was decided at a provincial-federal conference we had a few weeks ago. It is that what we should be doing is bringing in our legislation showing the direction we feel Ontario should be going. Other provinces will do the same, specifically Saskatchewan and British Columbia which are in the position of doing it immediately. We'll let the other provinces look at what we're doing and try to resolve any basic differences there are so that we can have some kind of national uniformity.

Product standards, product safety, product performance are things we think really should be national in scope and not fragmented from province to province. Whether or not it is administered by the federal government is another matter entirely and that's open to discussion with Mr. Mackasey, if I get to see him soon.

There is this feeling that we should have general declaratory legislation covering con-



sumer product warranties. It is not going to be fast. It really requires a complete revision of our Sale of Goods Act which is highly technical.

I thought, when I became minister, that there was nothing to it—let's go ahead and have a warranty Act. It is far more complex than that. The lawyers, you can trust them, will make sure it is complicated, and it is. I'm satisfied that it is genuinely complicated and I accept that.

**Mr. Chairman:** Simplistic.

**Mr. Singer:** Your deputy is making faces at you.

**Hon. Mr. Handleman:** I know. If I look up all my predecessors I say, how did Eric Winkler and I get into this ministry?

**Mr. Singer:** We wonder about that, too. [4:15]

**Hon. Mr. Handleman:** It just goes to show you that talent will overcome all shortcomings.

That's the approach we want to take. I'm constantly reminded by the people in the automobile industry that I was the private members who brought in the so-called "lemon bill" when I was a private member and it has affected me ever since. I had no intention of bringing that in as government legislation. I felt, because of some experiences we've all had with automobiles that refuse to run, that something should be done about them. It was, again, declaratory legislation. The government wasn't going to intervene.

**Mr. Reed:** Mr. Minister, there is also at the present time a system that is used by the automobile companies that we'll call a "secret warranty."

**Hon. Mr. Handleman:** That's alleged.

**Mr. Reed:** That's right, it is alleged. Let's call it an "alleged secret warranty," if you like. What it means is that if the customer screams loudly enough about her transmission or her rusty Ford or something, the company will reimburse the dealer when it's—as a matter of fact, here's Bernie Newman just arriving at the right time. This is November, 1975. I guess this is a US release, because it refers to "The Center for Auto Safety" and centre is spelled c-e-n-t-e-r. It says:

The Center for Auto Safety charged Thursday that it knew of at least 34 secret warranty programmes, 33 of them operated by the Ford Motor Co., that have led millions of car owners to pay needlessly for auto repairs.

I can speak with some personal experience on this sort of thing. I just wonder whether or not there is any way of handling this secret warranty thing in the way of consumer education, making the consumer aware. One of the main responsibilities of your ministry is consumer education, consumer contact and so on, and I just wonder here whether you cannot verify some of these alleged secret warranties, and if so, to make the consumer aware that they can sometimes have redress above and beyond the terms on the surface.

**Hon. Mr. Handleman:** I think all automobile manufacturers—and I would say probably all major hard goods manufacturers, major appliances and automobiles—have what they call a contingency method of dealing with fairly persistent complainers. They'll never admit that it's a warranty, and the allegations still have to be proven in court so I'm not going to comment. It's an allegation that there is a secret warranty.

The car manufacturers and the major appliance manufacturers will admit that if you complain long enough and hard enough to the right people, you'll end up getting some degree of satisfaction. The person who keeps quiet obviously won't. That's what it really amounts to. They'll say, "We don't accept any warranty obligations, we do not admit that the warranty applies, but as a courtesy to our customers and as good business practice we'll give you X dollars or we'll pay for repairs up to X amount."

To single out Ford—and I think or would expect you would be sensitive to Ford—I think is unfair. The Consumers' Association magazine issue of April indicates that Ford has had no greater frequency of rust problems than other manufacturers over the past several years. The fact that an action has been taken against Ford doesn't necessarily mean that it's unwarranted either.

Similar actions may be warranted against others but haven't been taken. I think they are based on this alleged extended warranty rather than the frequency of rust. That allegation has been made by Mr. Nader. He passed it on to Mr. Edmanston, who is the president of the APA in Montreal, and that organization has spearheaded class actions in Ontario, Quebec, and I believe in Nova Scotia today.

Those class actions on the basis of the alleged extended warranty have been launched, and our ministry is not aware of any extended warranty system in place by any manufacturer. We are aware of the "courtesy" refunds that they do give to persistent complainers. Some manufacturers will not even go



that far. In other words, they stand on the letter of their warranty. They will give no courtesy refund of any kind. We have evidence of those too, but I'm not about to identify one manufacturer against another.

**Mr. Reed:** So you are in favour of warranty legislation then, as I take it, especially on a national basis.

**Hon. Mr. Handleman:** The federal government should perhaps set the standards. I am suggesting they should set the standards on a uniform, national basis because manufacturing is national and importing is national. They can control imports that way too. The enforcement, the complaint level, the dealing with the consumer, should be at the provincial level. I think we can divide our responsibilities without having any overlap.

**Mr. Breaugh:** Mr. Chairman, I would like to raise two issues under this particular vote. One is a matter I know has been dealt with at some length. In fact, it has had considerable publicity but still goes on, and that is professional fund-raisers.

In our municipality we have had a number of problems over the years. In the last couple of years, even though there has been some movement by your ministry to at least investigate the thing, there are a couple that are still causing problems.

Essentially, as I understand it, they approach some local service club or charitable organization and offer to give them a set amount of money in return for the use of their names. They move in to some hotel room with a phone book and several local people. They call everybody in the city and say the Kinsmen Club has a special deal on.

The current one—I don't think it's going in the city because they balked at it—is a fund-raising agency that moved in and offered the local minor softball association some \$3,000 if that agency could be allowed to use the name "Oshawa Minor Softball" and run a promotion campaign.

It is true, I guess, that in that sense Oshawa minor softball would pick up three grand, not to say how much the fund-raising agency would get, nor whether their employees would be paid. This is a problem we have had in the past. I don't think they were specific about the kind of fund-raising activity.

One of the other ones we have had in recent years was selling some kind of an entertainment booklet which purported to give to the purchaser several things, not the least of which was a substantial donation

to a local service club, and then dinners at restaurants and discounts on clothes. When the people went to use those books, of course, they found out the dinner at the restaurant was good if you bought another dinner. The discount on clothes was good if you spent a minimum amount. There were a number of problems associated with that. This has received a lot of publicity but it is still going on. What is your ministry doing to kind of correct this situation?

**Hon. Mr. Handleman:** Mr. Mitchell can give you the state of the investigations with regard to the service clubs and the boiler shop. As you know, we did issue a proposal for a cease and desist order in one instance. We have used that as the basis for directing, or requesting, every service club whose mailing list we could find in the province, the Lions, Kiwanis, Knights of Columbus, legions, etc. to be aware of this kind of thing. The response we are getting back is quite hopeful, or it indicates at least they are aware of the problems. They are asking their local charters not to engage in this kind of an agreement with boiler shop operators.

However, until such time as evidence is available to indicate that what they are doing is an offence under the Act, or in some way violates one of our Acts, all we can do is depend on service clubs refraining from allowing their names to be used. Many of them are quite anxious to get those few thousand dollars. I think the statistics we have indicate they are getting a very small percentage of the total take.

**Mr. Breaugh:** Yes.

**Hon. Mr. Handleman:** I can let Mr. Mitchell tell you what activities are being taken to try to put a stop to it where we can find the evidence.

**Mr. Mitchell:** We are aware of the two major fund-raisers; one is American, Holloway Productions out of Escondido, Calif., with a huge Ontario operation, and the other is the E. and M. Garden Corp. in Toronto operating on Eglinton Ave. The Garden Corp. have been charged criminally with fraud. Now, initially when we undertake an investigation—

**Mr. Breaugh:** Is that presently before the courts?

**Mr. Mitchell:** Yes, it is. We have undertaken the investigation under the Business Practices Act dealing with the pitch. When I use the term pitch, I mean the inducement for people to buy. When we got into it,



we found fraud in gross overselling. We have taken these on the fraud aspect. We have worked directly with Metro fraud squad. Certainly I had two of my men tied up for three months on one of them.

We are totally familiar with their operation and with the various types of operations they use. We are currently looking at types of control that we can put in. Certainly, by adding regulations to the Business Practices Act, we can probably cover the disclosure aspect.

As to setting guidelines for control, we're looking at existing Alberta legislation and we're looking at existing legislation in Ottawa. We hope to make some recommendations to the minister in the very near future on how we feel it can be controlled.

**Hon. Mr. Handleman:** That legislation in Ottawa is the city of Ottawa.

**Mr. Breaugh:** I understand that and I commend you for your efforts in that regard. It strikes me though that that's a very difficult way to go about it. You (a) have to let the operation continue in some form or another or you can't even get at it; and (b) you have to find something, probably in the criminal statutes, that they have slipped up and their technique is not as good as they think it is.

But in the main, you are really, in essence, accepting that that kind of professional fund-raising activity is legit, is a legal enterprise in Ontario. If they go wrong, if they become too blatant about it or make too much money or rip people off in a certain way or are fraudulent, then it's an illegal activity. But you're not considering making, if you like, that field outside the law.

**Hon. Mr. Handleman:** At the moment we're not because there are many professional fund-raisers who have been in the business for a long time. They have a legitimate role to play, we feel, in helping worthy organizations which don't have the facilities and don't have the techniques to raise funds.

I would say that most of the church fund-raising is done through professional fund-raisers. They, of course, use the church people, the membership, the congregation, advising them, steering them in the right direction and telling them how to approach people. There's nothing wrong with that.

The Cancer Society and the Heart Fund—these are fund-raisers. Some of them have professionals working for them; others use a staff of volunteers.

We're not seeking to licence every operation in the field. There's no question about it; some of them, we're aware, skirt the law, but I don't want to make professional fund-raising, per se, illegal in this province. I think we'd be doing a disservice to a lot of worthy organizations.

**Mr. Breaugh:** If I could maybe correct your impression of what I said. I'm not really saying that you would make a professional fund-raiser a criminal or anything like that. I'm simply saying that you seem to have accepted the idea, or the notion, that you can set up a company to raise funds for somebody else and get some kind of a rake-off on it or a percentage of the business, as opposed to having some legal, charitable organization hire someone to raise funds for them.

I could see some variations on that theme, maybe on a contract basis, that might be acceptable. But I have some difficulty accepting the idea, particularly when they involve registered organizations or whatever. They're very susceptible to this kind of fund-raising. It sounds like a good deal from their point.

**Mr. Handleman:** None of them, of course are, registered. You say somebody who sets up to do this. The professional fund-raisers are set up to do this. If you said: "You can't go out and solicit business. You've got to sit in your office and wait for people to come to you," none of them would be able to find business.

**Mr. Breaugh:** And they wouldn't be much of a fund-raiser if they did that.

**Hon. Mr. Handleman:** It is still possible to make a profit with an idea and a service and I can't see anything wrong with it.

When you are talking about unconscionable transactions, okay, we have the legislation to deal with that. We have broad legislation to deal with criminal activities. There are some things we think we would like to do in this field. I think Mr. Mitchell will be bringing forward some suggestions of how we can cope with the dishonest. We have no intentions of letting them continue in operation without some measure of legislation. But what that would be, I'm not in a position to say.

**Mr. Breaugh:** The other issue I would like to raise under this particular item is a rather sad tale. It involves your ministry in several aspects and, I think, brings out some pretty fundamental problems along the way.

A gentleman came to see me, I guess about three months ago. He runs a small business.



He's an excellent mechanic, I'm told, but an atrocious businessman. He got himself into some financial difficulty and we said: "We do have a Minister of Consumer and Commercial Relations who offers some expertise and some pamphlets in that field. Go and see him. Perhaps we can make some arrangements for you to see the kind of government agencies which offer loans to small businesses and things like that." He did pursue that. That's the first contact I had with this particular case.

[4:30]

It seems that things didn't work out quite as well as he anticipated or the kind of assistance he needed was not really that available; probably more specifically, financial assistance. One of the creditors he had put a lien on his property and everything on it. It happened to include a couple of automobiles; possibly three or four. I want to deal with a couple of them and it shows what consumers are up against as well as small businessmen.

One of the things he had was a small car. I think it was a 1971 Nova which he bought off another car lot, fixed up and sold, not knowing, I hope, that there was a lien against that particular vehicle. He sold it to a young fellow who had it for a couple of months and then in turn sold it to another gentleman who paid about \$1,500 for it. The automobile was used as transportation for his wife who went to work. He happened to be a nurse.

She brought it home about 11:30, parked it in her driveway, did a few things around the house, happened to look out at 2 a.m. and the car was still there. But at 8 a.m. the car was not there.

Like most people, I guess, if you leave your car in your driveway and it's not there in the morning, you assume that it's stolen. They went to the police station, of course, and said, "We want to report a stolen vehicle." The police took it all down. The husband informed the insurance company and the insurance company was all set to make some kind of a settlement with them.

It turned out, though, that the car was not stolen. It was picked up by a finance company some time between 2 a.m. and 8 a.m. from his driveway. It was not off the street or anything like that but out of his driveway. When he was explaining his story I thought "Friendly Frank's Finance Co. has done it again." It turned out that it was the Ford Motor Co., Ford Motor's financing, which had taken the car from his driveway.

To complicate it a little further, there was

some problem with the registration. I'm not using the gentleman's name because he's still in the process of trying to get some kind of amicable settlement worked out with Ford financing. I found out, subsequently, that there's at least one other case in the city of the same type. The guy sold the car and, of course, when the police found out about the first case, they immediately told the second guy, "Your car has not been stolen. It's been repossessed."

It does strike me as being a bit much that a finance company can repossess an automobile out of somebody's driveway and all of it is legal. What it really comes down to in the end, or what I surmise from it all, is if you are a major finance company you seem to be able to get your goods back. If you happen to be somebody who bought an automobile—I don't think there was fraud with intent or whatever you want to call it on the part of the little garage operator at all. I would trust him enough to say that he didn't do that intentionally, although that may be the case. Certainly, neither of these two people who came to me is making that case at all.

Their beef is, "How can somebody come on to my property in the middle of the night and take something which I think is mine?" I think if someone had knocked on the door or served them with a paper or whatever they would understand that.

Frankly, from their point of view, their car was stolen by a major financing company from their property, not off the street or anything like that. I understand this is still legal in Ontario. Perhaps you would care to make some comments about the legality of the situation in the first instance and whether you think that that's an acceptable one.

I would like to end up with a couple of articles which have been written about people who make their living repossessing vehicles in this way. It's really repossession of a vehicle without notifying anybody. You just go up to it, get it started and take it away.

By the way, in both instances, the people have seen their automobiles on the lot of a Ford dealership in Whitby. There is no question of where the cars were taken or anything like that.

**Hon. Mr. Handleman:** I can't comment on individual cases. I assume I don't have to ask your permission to get my property if you happen to have possession of it. I just go and take it. I don't have to knock on your door. It's mine. You had no right to it.



**Mr. Breagh:** Even if you have a registration permit and things like that?

**Hon. Mr. Handleman:** I am saying there is a property registration system in this province in which liens are registered. Anybody who buys something like that without checking to see if there is a lien against it is just asking for trouble. I don't know under what legislation the repossession takes place. I presume it's a court order. It's the Conditional Sales Act and the Attorney General apparently administers that. Certainly the kind of examples you've quoted and which took place are not the only two cases. It happens all the time.

**Mr Breagh:** Yes, it's widespread.

**Hon. Mr. Handleman:** As I say, we happen to administer the Personal Property Security Act which means that liens are registered on this kind of thing. I think, for \$2, you can find out very quickly whether or not somebody is offering you something with a lien against it.

**Mr. Breagh:** Okay, very specifically then—and I recognize that if everybody did everything right we would never have any problems—do you think it is too much to ask that a major finance company, or a small finance company, be asked to knock on the door or to serve some notice, and so forth—

**Hon. Mr. Handleman:** I think you will have to ask the Attorney General (Mr. McMurtry) that, because it is not our Act and I cannot even comment. We don't have anybody here who can comment on it. As I say, I think if I saw my car sitting in somebody's driveway, I would go and take it; it is mine.

**Mr. Renwick:** Well, come on. In fact, you do have lots of people here to comment.

**Mr. Chairman:** Sorry, Mr. Breagh is on. And after Mr. Breagh is Mr. Singer, and after Mr. Singer is Mr. Elie Martel.

**Mr. Breagh:** All right, keep the Chair in order. Come on now, you have lots of people here to comment.

**Hon. Mr. Handleman:** You can ask the Attorney General why he permits this practice to continue, because it is certainly not under any of our legislation.

**Mr. Breagh:** So, you are saying then, in essence, that you don't think that this particular practice of a major financial institution is any of your business, even though you are supposed to control business practices?

**Hon. Mr. Handleman:** Well, when you say it is none of our business—

**Mr. Breagh:** You said that; I didn't say that.

**Hon. Mr. Handleman:** No, I said that the Act under which this practice occurs is not our legislation; it is under the Attorney General.

**Mr. Breagh:** So, from your point of view, this schnook is not a consumer, even though he bought something.

**Hon. Mr. Handleman:** Oh, definitely he is acting as a businessman.

**Mr. Breagh:** No, he was acting as a guy who bought a car, which to me is a good definition of a consumer. You see, I appreciate your saying that maybe there are portions of the Act that are under somebody else's jurisdiction or responsibility; but from a consumer's point of view, from the viewpoint of the poor schnook who paid \$1,500 in good faith for an automobile that he honestly thought it was his because he had a little registration card that says "this is my car."

**Hon. Mr. Handleman:** He bought it from a dealer?

**Mr. Breagh:** Yes.

**Hon. Mr. Handleman:** We administer the Motor Vehicle Dealers Act, and perhaps Mr. McCormac or Mr. Molyneux would like to comment on the dealer's responsibility in a situation like that.

**Mr. McCormac:** Under the Motor Vehicle Dealers Act, if a dealer sells a vehicle where title is impaired, and the customer brings that to our attention, we direct the dealer to make good the title. His recourse is against the person who has obviously acted fraudulently in selling him the car by not disclosing the registered lien. So, we do protect the consumer if he purchases a car from a dealer.

If he buys the car from a private individual, where there is lien, there is nothing that we can do.

**Mr. Breagh:** Okay, let me go back to that very basic question. If someone purports to represent the consumer—and you have said several times that it is a big concern of yours—how fair is it to someone caught in a set of circumstances like this? You are the one who says, "This is not one instance. This is reasonably widespread." How fair is it for him to have—the nice word is repossession and



the not so nice word is stolen—the automobile stolen out of driveway? In my mind, if the guy left it on the street, in a shopping centre, a parking lot, or somewhere like that, and somebody else comes along, they could repossess that vehicle—but not off someone's driveway.

**Mr. Chairman:** The Chair feels that this element and the debate is as has been indicated, properly within the demesne of the Attorney General and that the minister here is not in a position, according to the terms of his jurisdiction, to handle the matter.

**Mr. Breaugh:** I challenge the ruling of the Chair.

**Hon. Mr. Handleman:** I can't even tell you by what authority the repossession takes place, and with what kind of documents. We have nothing to do with it. We have nothing to do with those documents.

**Mr. Renwick:** Business practices.

**Mr. Breaugh:** I would like to introduce my expert witness.

**Mr. Chairman:** Mr. Renwick, do you want to be put on the list of speakers?

**Mr. Breaugh:** No deals.

**Mr. Renwick:** Mr. Chairman, I would like to comment on this precise problem, unless there are others in the committee who are equally informed on this type of problem.

**Mr. Chairman:** Mr. Singer, are you informed on this precise problem?

**Mr. Singer:** Well, I could speak on the legality of it.

**Mr. Chairman:** I am sure you could.

**Mr. Renwick:** Are you avoiding a challenge to the Chair?

**Mr. Singer:** It is rather difficult to get the Chair's attention. And I, of course, accept your rulings, Mr. Chairman. I don't challenge them.

**Mr. Breaugh:** Oh, well, I have got to call him on that.

**Mr. Chairman:** Just a moment, with respect to your remarks.

**Mr. Breaugh:** No, the Chair made a ruling and I would like to challenge the Chair.

**Mr. Martel:** On a point of order. Surely, Mr. Chairman, if Mr. Renwick wants to speak to this specific issue it is rather foolish to

jump to another issue and then come back to this specific issue. Could we not clear this issue up, which is done regularly in committee?

**Mr. Chairman:** Mr. Singer indicates, then, that he, too, wishes to speak on this very specific issue, and he being the first on the list, we will give him the first opportunity to do so.

**Mr. Breaugh:** Laconically.

**Mr. Singer:** Not only do I wish to speak to this issue, I wish to speak to the one previous to this issue as well.

**Mr. Chairman:** No, no. I'll come back to you as soon as this particular issue is finished by all parties.

**Mr. Singer:** Mr. Chairman, I want to talk about this class action bit, and the warranty and so on.

**Mr. Chairman:** You will have more opportunities, Mr. Singer.

**Mr. Singer:** Mr. Breaugh raised those and now it is my turn to speak. Surely I can speak to the points he raised. That makes sense. Just because Mr. Renwick arrives we don't really have to reorganize the whole committee.

**Mr. Chairman:** Mr. Singer, just because you arrived, doesn't mean that either.

**Mr. Singer:** No, no, I waited and you put me down.

**Mr. Chairman:** All yesterday afternoon we stayed on travel agents' matters and we didn't divert. This is a grab-bag session, and if we can get on to the particular point in question and clear it up, I think that is a much more preferable procedure, and I would ask members to accede to that.

**Mr. Martel:** That is my point of order.

**Mr. Singer:** Mr. Chairman, Mr. Breaugh has made a number of points and he is presumably finished now. I wish to comment on one of the points he made a little while ago and then I am going to come to this one. Surely that is reasonable. Mr. Breaugh was allowed to choose whatever points he did. He was the most recent speaker.

**Mr. Chairman:** Yes, but the last point that Mr. Breaugh brought up caused some contention, and I would like to resolve that particular point and then continue the debate.



**Mr. Martel:** Mr. Chairman, that was my point of order. I am not suggesting that Mr. Breaugh is not yielding the floor. What I am suggesting is those members with their legal expertise or supposed legal expertise who want to comment might in fact try to clear that point up and Mr. Breaugh could finish his remarks and then Mr. Singer.

It seems to me to be foolish to ask Mr. Singer to speak about two or three different items and then come back to try and resolve the items that Mr. Breaugh is raising. I would ask the Chair to rule that if Mr. Singer wants to speak on this specific issue and this alone, and then Mr. Renwick, that's the way it be done. That's the way it is usually done to clear up these contentious points. That keeps order.

**Mr. Chairman:** Mr. Martel, you are unusually reasonable today. That is what I propose to do.

**Hon. Mr. Handleman:** Mr. Chairman, before Mr. Singer speaks I would like to correct an impression I may have left. We apparently, under the property rights division, which is a different division from this one, handle the Conditional Sales Act and the Personal Property Security Act. The two, since as of April 1, are now completely merged. So since April 1, we have something to do with the Conditional Sales Act. Mr. Rundle is here, but perhaps we can hear from Mr. Singer, now that I have made that correction. It is not the Attorney General's Act any more.

**Mr. Singer:** Are you ruling, Mr. Chairman, so I can properly understand this, that I don't have the same kind of leeway that Mr. Breaugh has? Is that what you are saying?

**Mr. Chairman:** I am saying yes, Mr. Singer.

**Mr. Singer:** Why?

**Mr. Chairman:** I am saying you have the full amplitude if you initiated the conversation. We got on to a particular sticky point. I want the committee to address themselves to that point, and as soon as that is resolved, we will come right back to you.

**Mr. Singer:** I think it is quite illogical, Mr. Chairman. I will accept your ruling, but I think it is quite illogical in your allowing one member to talk on a number of points and I, following him very closely, want to talk on a couple of points that he raised. Notwithstanding the ganging up that is happening here from Martel and Renwick, I

think it is completely illogical, but if you want to be illogical, we will accept that.

**Mr. Chairman:** I think it is the soul of logic, Mr. Singer, and you are being illogical. But proceed, please.

**Mr. Singer:** Thank you, Mr. Chairman. I have difficulty in following Mr. Breaugh's latest points. Is that all right? Can I say that?

**Mr. Chairman:** Oh, yes.  
[4:45]

**Mr. Singer:** Thank you. Why would someone go and buy a house without searching the title and then come in and say, "Oh, my goodness, there are two mortgages registered against that house. Why didn't somebody tell me?" There is a very expensive system of central registration of chattel mortgages and bills of sale. This has been established reasonably recently. Surely the buyer has to take some steps to protect himself if these are private sales. I presume they are, because Mr. MacCormac specifically said when dealers are involved they call the dealers to account for failure to disclose and so on. They can control dealers. But would you buy a used car from Martel? If you were foolish enough to buy a used car from Martel—

**Mr. Martel:** No. There is nothing left.

**Mr. Singer:** —and then suddenly found that Martel had neglected to tell you that when he bought it from Ford originally it had been financed, whose fault would that be? Would that be the government's fault or shouldn't you have searched against the particular vehicle and the particular vendor in this registration system which the government maintains?

That seems to have some logic to me. I just don't understand how the government is going to be expected to be able to control all private sales of motor vehicles between all individuals.

The transfer of the ownership certificate is a different thing. Are you suggesting that the government, in their vehicle registration branch, maintain an ownership log of each vehicle and all liens? Every time a mechanic does work on a car and he has a common-law lien that builds up against his vehicle, should somebody run down here to Queen's Park and register that kind of a lien? I think you're expecting far, far too much protection.

If someone goes to our good friend from Sudbury over there and wants to buy a used car from him, I think he should take the necessary steps to make the searches and protect himself.



**Mr. Martel:** With me he should.

**Mr. Singer:** It seems logical to me.

**Mr. Renwick:** Mr. Chairman, unfortunately I was unable to be here during the earlier part of Mr. Breaugh's remarks. But on the specific, narrow point that Mr. Breaugh makes, I'm quite content to deal with it here or under property registration. But it seems to me that having been raised in its aspect as a business practice, it's properly before the committee and it's certainly properly before the ministry.

It seems to me that where a person has an automobile, and I include not only the situation that Mr. Breaugh put before you, but the one where the person is in default on payments under the conditional sale agreement, that we are really condoning in the field of personal property what we finally got rid of in the law of landlord and tenant, that is the right of distress—the right of somebody to take the law into their own hands without going before some kind of body to indicate that they're going to challenge the title.

There are lots of actions in law with respect to the question of getting back your property if you own it and somebody else has it. But this is very much analogous to a lease of property. Sure, in the course of time, various legal documentation and theories have arisen, some called conditional sales, some called chattel mortgages, some called leases of automobiles. Whatever you want to call it, all of the paraphernalia of the legal apparatus relating to property has been brought to bear upon the motor vehicle industry.

I never know. Do I now infer from my colleague's remarks—I always get mixed up with the word infer—I think I infer from my colleague's remarks. He was talking about the narrow point that in this day and age, can a finance company, in the dead of night, clandestinely, come and take off the property an automobile of someone who has been given, by either a major vehicle company or by somebody else, possession of the property?

The indicia of ownership issued by the government of the Province of Ontario, namely the registration of the automobile or the licence for it, and it may well be—I see that the deputy minister may have caught me out. Maybe it's not registered in anybody's name but the finance company's name. Whatever the legal technicalities are, I think that the narrow point—and my colleague may have been making other points—is that at least the person who has the car in his pos-

session is entitled to some form of notice as a matter of good business practice. I think that's irrefutable.

I think it is wrong in the Province of Ontario in this day and age, regardless of the registration systems and all the rest of it, that anybody should be able to take the law into his own hands and assert against the person to whom he or his predecessor has given possession, the right to automatically come back and take possession without recognizing that possession as having been originally lawful. The analogy saying that it's equivalent to stolen property is quite wrong because the person has been given possession by the person who had title.

If, as a matter of courtesy, the person is not entitled to notice then we should make it a matter of law that notice be given of an intention to repossess, whether it is for failure to pay the instalments or in the case of malregistration or whatever that arrangement would be.

I recognize what Mr. MacCormac has said that under the Motor Vehicle Dealers Act that's quite right; it is one of the resources the person has. But he doesn't have any recourse in the middle of the night if he needs his automobile. He doesn't have any recourse for several days thereafter if that's the only vehicle he's got. He certainly has no recourse if he's a workman who has to take all his tools out to some remote place in the suburban part of Toronto in order to work on a construction job.

It's fundamentally wrong and we have been moving gradually, with great pressure from vested interests and particularly from the legal profession who are so happy with this intricate maze of legal documentation, against the proposition that people cannot take the law into their own hands any longer in the Province of Ontario; particularly can they not do it in the dead of night. I think it's an extremely valid point and I think it's a business practice which is reprehensible in the Province of Ontario.

**Hon. Mr. Handleman:** My understanding is it's not a business practice which at the present time is prohibited by legislation. Mr. Rundle, who knows the workings of the repossession system and the personal property security registration system, might want to comment on Mr. Breaugh's problem.

**Mr. Rundle:** There are provisions in the Personal Property Security Act which do require notice to be given when the debtor has paid a certain percentage of the purchase price.



**Mr. Renwick:** I understand that.

**Mr. Rundle:** If he has not paid up to that percentage it is not required that he be given notice prior to seizure. Once seizure has taken place it is required that he be given notice of the intent of the secured party.

**Mr. Chairman:** What is the percentage?

**Mr. Rundle:** It's 60 per cent. The secured party is required by law to give him notice of whether he intends to sell the goods or retain the goods or what his intentions are.

**Mr. Renwick:** The percentage is 60 per cent?

**Mr. Rundle:** Yes.

**Mr. Renwick:** First of all, that's much too much. It seems to me that anybody who has, in good faith, bought an automobile—if the finance companies and the dealers who have to be more careful about who they sell vehicles to, who finances them and the question of the capacity to pay, that's the dealer's problem; that's the motor vehicle manufacturer's problem; that's the finance company's problem.

Once they have given the person lawful possession of that vehicle they should not be entitled to resume it without notice. I objected at the time to the 60 per cent provision. Of course, that doesn't address itself to the other aspect of it, namely the question of whether or not there's been some flaw in the title, regardless of how perfect—even I fall back into lawyer's language—a mistake made by somebody about the registration of the vehicle.

**Hon. Mr. Handleman:** I'm prepared to look at whatever weaknesses there are in the Act and if there are any flaws in the Act I'd like to take a look at them. I'd like also to hear from the people who obviously are in the position of wanting to repossess and why they need this kind of power. I'd like to hear that, too.

**Mr. Chairman:** There is one other feature of the thing the Chair might mention. I object to both seizing and suing for the balance. I think it should be an option—if it's there at all—of either seizing the vehicle and that's it; or suing and leaving the vehicle where it is. None of the major companies seizes any vehicles which, in their opinion, is less than \$500. It's just not worth their trouble; they sue instead.

**Mr. Singer:** I want to get back to this warranty business the minister was talking

about. This universal warranty; how would the legislation work? Are you envisaging federal legislation as an umbrella with the provinces participating? Are you envisaging the laying out of certain standards of skilled craftsmanship, usefulness of the article. Failing that, is it actionable or are you making it an offence if it doesn't come up to that point? Also, I wanted to ask whether or not we are aware in Ontario of the success of any class actions of this type? I am not immediately familiar with any. I have a feeling this is a new thing that is being tried before the courts.

**Hon. Mr. Handleman:** Yes. The class action approach is something I suppose the court is going to have to deal with in the present instance. The Attorney General in the long run will determine whether or not special rules are going to be required.

**Mr. Singer:** Are your advisers aware of the success of any class action of this type in this jurisdiction?

**Hon. Mr. Handleman:** Are you aware of any? I am not aware of any. We have asked about this kind of thing.

**Mr. Singer:** Yes.

**Hon. Mr. Handleman:** One of our problems, I think, is that we haven't solidified our thinking on consumer warranties. As you know, we had the Law Reform Commission report and the green paper was put out. I think we have enough evidence now to support legislation which would be declaratory and not interventionist. In other words, we would lay down certain procedures, practices and standards if necessary. My own preference is that the federal government should look after standards, establish national standards of performance, durability, quality and that we should look after the question of mediation to enforce those standards.

When a person complains that his automobile or refrigerator is not up to the standards set down nationally, we would then take over the administration and enforcement of the Act. Whether it's the province enforcing it, or simply mediating, is something I think we'll only determine after we have seen the other provinces and their attitudes toward it. I think we would like to have a uniform system of enforcement as well.

**Mr. Singer:** How close are you to that?

**Hon. Mr. Handleman:** I think we are not far away from bringing in our suggestions for first reading.



**Mr. Singer:** Of a federal statute?

**Hon. Mr. Handleman:** No, of a provincial statute because Saskatchewan and British Columbia are in that position, too, of bringing forward for first reading only. We've said we want the other provinces to be able to look at it. They are not in the position of even having draft legislation ready. The idea is that the three of us who are ready will put it out. The federal government wants to look at it, too. It is really a revision of the Sale of Goods Act which is contract legislation and which is within the proper jurisdiction.

**Mr. Singer:** Provincial jurisdiction?

**Hon. Mr. Handleman:** Right. Quebec has said they don't want to have any part of a national plan. I think we would like to see if we can work out some national, provincial, federal, provincial co-operation in this field. We are not in the position of saying we are ready to proceed with warranty legislation which will be in effect this year. I don't think we are at that point yet.

**Mr. Singer:** Is what you have in mind the setting of standards by the federal government and the adoption of those standards by reference in the provincial statute?

**Hon. Mr. Handleman:** Something of that nature. This has to be negotiated, obviously. I haven't had a chance to talk to Mr. MacKasey. We had meetings with Mr. Ouellet. This was the procedure we were talking about. We haven't yet sat down with a piece of legislation and said, "You do this, and we will do that." I think they want to see how far we've gone in the sale of goods revision.

**Mr. Singer:** I want to talk on the next item, Mr. Chairman, when we are finished with this one. I am finished with this.

**Mr. Chairman:** The Commercial Registration Appeal Tribunal?

**Mr. Singer:** Yes.

**Mr. Chairman:** The next speaker is Mr. Martel.

**Mr. Martel:** Just a couple of points, Mr. Chairman: I was wondering if I could ask the minister if that is all your staff out there?

**Hon. Mr. Handleman:** No.

**Mr. J. K. Young:** A good many of them.

**Mr. Martel:** A good many of them, yes. I am wondering if any of them want to volunteer to come to Sudbury.

**Hon. Mr. Handleman:** You have told me we have the best person in our ministry in Sudbury.

[5:00]

**Mr. Martel:** That's right. I want to put something on the record. It was about three years ago, when the hon. John Clement was occupying that position that I asked, out of the clear blue, what cities did not have a consumer protection office. Lo and behold, the only one was Sudbury. John saw fit to immediately establish such an office. Earlier this year I wrote to you. I knew Mr. Roy was being overworked; in fact, he was being worked to death. You wrote the following letter to me. You said:

Our records for 1975 indicate that more written complaints have been submitted to the Sudbury office than to all the other regional offices put together. [Well, I don't know. Let me go on:] In 1974, the number was 700; in 1975, there was a 36 per cent increase to 952. Telephone calls showed an even greater increase in that period. Incoming calls rose 101 per cent, from 4,909 to 9,963. Outgoing calls went from 1,721 to 4,520, an increase of 163 per cent.

This man does a good job but you're running him thin—so thin that he is not going to be able to keep it up. I find it offensive that you have an office that has more than all the rest of the province put together—that one man and I guess one secretary would be asked to try to cope with that. He's trying very hard—I would give him full credit for it. But surely to God with that type of work load you're not asking this man to be able to carry that out properly, are you?

**Hon. Mr. Handleman:** I think it's a little bit unfair to allege that Mr. Roy is being asked to handle all those things personally. You know darn well that we have services available to Mr. Roy and he uses them quite extensively. To the best of my knowledge, Mr. Roy is coping with the work load. Our headquarters staff and other people are assisting in every way possible to try to resolve these difficulties. I don't know whether Mr. Weinstein has anything to add to that, but as far as we are concerned, the Sudbury office is operating satisfactorily.

**Mr. Weinstein:** You're right. This is one terrific operator. His public profile is high and he's working very hard indeed. We are effecting some reorganization. Henry will be given support from Toronto. We don't know yet how we are going to effect total relief.



**Mr. Martel:** I know how.

**Mr. Weinstein:** He's in a high-profile area but we are, for profound inspections, sending out support from Toronto as he requires it. We have discussed his work load with Henry. We're fully aware of it and in fact are withholding the replacement of a man in another area—not only because of Sudbury, please know, but because in other areas too the work load is heavy.

Henry's work load is bad enough, but let's not make it worse than it is. Henry carries—and this remains amazing—about one-third of the total field complaints that we have in seven areas. Not as much as all the others, but a third—which is still plenty. If he had any more than that, the situation would be worse than it is. It's bad enough.

But Henry is doing more than a capable job. We're aware of his problem. We really are. In the reorganization we're hoping to give him the kind of support that is necessary. We do have financial constraint—I think you know that, sir—and if we were to meet the demands of all our field men for extra help, then it would cost the taxpayers a lot more money. Direction in that area has to come from somewhere.

**Mr. Martel:** It is costing the taxpayers in the Sudbury area a fortune for the number of clip artists there. That's part of the problem. I think every shyster who gets run out of Toronto takes the next train to Sudbury.

**Hon. Mr. Handleman:** How did you get there? By train?

**Mr. Martel:** How did I get there? I was born in that area. I didn't go by train.

**Hon. Mr. Handleman:** Oh, I'm sorry. They came to join you.

**Mr. Martel:** Right. Some I'm trying to get rid of. I'd like to send them back.

A lot of people are being taken, though. He's doing a good job. I know a number of times he's gone in at my request and prevented people from being taken by these characters trying to get rid of aluminum siding and such like. He's got too much. It's as simple as that. He's running himself thin.

[Let me ask you if there are any other offices that have a staff of no more than the one man and the one secretary.]

**Mr. Weinstein:** Dealing with different pieces of legislation, we have more people in some areas. Remember that Henry is dealing with the Consumer Protection Act and the Business Practices Act. But in Hamilton if

we are fielding two men, one of them is dealing with motor vehicle dealers action and another with real estate and so on. Our present examination of the distribution of work load in the region we hope will result in a better distribution of work load. But all we can do is assure you that we are aware—Henry Roy sure made us aware, if we weren't—of the load that he carries. We know that.

**Mr. Martel:** That is gratifying for us to know that you know we have a problem. But I look at real estate and, as you are aware, I have got a number of people who are concerned.

For example, I wrote the minister no later than yesterday regarding the case which I spoke about in the Legislature just prior to Christmas. In fact, their lawyer has now written Mr. Speaker twice to have Mr. Speaker stop me from speaking about the matter—Bowgray construction.

I sent the minister all the files and the study by the engineer. The Kettle report showed homes five years old in an absolute state of decay. They are literally collapsing around people who have spent \$45,000 or \$50,000 for them. They are five years old and they are decaying.

The minister said to start an action together, but you have to get an estimate. We started the action, except that there isn't a contractor in Sudbury who has the spunk to go against this man, whom I have described as a bit mad. This contractor has beat up a man from the Ministry of Labour who went to conduct an investigation last year. Mr. Kretzschmar was physically beaten up by this wonderful fellow. When the bailiff went to serve the man with a warrant, he had to go back and get two policemen with drawn pistols. A fine fellow.

Now, none of the contractors will go in. I saw the solicitor's letter yesterday. He's asked contracting firms to go in and do some kind of investigation as to what it would cost—I guess they need that when they go to court—what it would cost to make the necessary repairs—and none of the contractors wants to get involved.

I have written you and suggested maybe you could get one of the contractors to go in and do it. That's how flagrant it is. That's right in the heart of the city of Sudbury.

I am not going to bother talking about Cambrian real estate, which is immoral and wicked, because they are back in business. One of the Shouldices is back in Valley East operating as before, and already the complaints are coming in to me.



I am tired of doing your job. Let me put it that way. You have got to get people there to do the job. The only reason you have been able to survive is not only Henry Roy. In fact, another ministry is heavily involved in a place it doesn't have a right to be, and that's the Ministry of Natural Resources through its Northern Affairs office. Mr. Richard Ross is doing a hell of a lot of work that he shouldn't be doing, really. He is not an investigator for you, and that isn't his function.

Those Northern Affairs offices were never put in place to become investigators for the government of Ontario. They were merely supposed to be information offices. If you want to make Richard Ross an investigator, and he's a fine fellow, do it—but don't ask Northern Affairs to be out conducting some of the investigation because Mr. Roy can't cope with the work load.

You simply need some people in there. It's as simple as that. I could go on all afternoon with some of the problems with the real estate developments that are going on there—with a whole range of things. I suggest to you that you have got to get some people there. You either hire Mr. Ross on your staff, get him from Leo Bernier over to your staff, or you get someone to do the work he's doing. That's not his role. It is going to backfire on the government some day—because he doesn't have, I don't think, that power necessary, I guess, to do the type of investigation that Mr. Roy would do. You are playing a dangerous game.

Of course that's why, when my friend from Wilson Heights talks about a warranty bill of some description, the place it is going to have the most effect immediately is going to be the Sudbury area. They have been allowed to get away with murder in there—which leads me to the last point. You, Mr. Minister, indicated to me some time ago that because of all these complaints you were probably going to introduce a bill into the Legislature with respect to some type of training for inspectors, particularly building inspectors. What stage is that at now?

**Hon. Mr. Handleman:** It doesn't require a bill. As I understand it, there are negotiations going on between our technical standards branch and the colleges and universities to establish a curriculum in training courses through the community college facilities. If Mr. Adams is here or Mr. Yoneyama; Mr. Adams, are you involved in that negotiation? Mr. Adams is director of the Buildings Code branch. But you are in a different vote.

**Mr. Martel:** Yes, they would just tie in. I would ask the indulgence of the chairman.

**Mr. Chairman:** If it is short and to the point.

**Mr. Martel:** I'm just dealing with this wind-up of the practices that are going on that are leading a lot of people I represent to have a hell of a lot of problems. Mr. Adams knows; he's been in Sudbury.

**Mr. Chairman:** The building code is another vote, Elie, but go ahead for the moment.

**Mr. Adams:** There are a number of courses available around the province in the community colleges at the present time. The need is to extend that across the province and co-ordinate it. In conjunction with the Ontario Building Officials Association, we have been examining just what the co-ordination is that's necessary prior to discussing it a little more seriously with the colleges and universities as to the kind of course, the expertise and the availability.

**Mr. Martel:** Have you been talking to anyone in the Sudbury area about it, either at Cambrian or Laurentian? Or are you just dealing with the bodies representing these various colleges and universities here at Queen's Park? Are you talking to individual community colleges? I didn't get you.

**Mr. Adams:** Only in the sense that those which have already mounted courses have sought advice from us. But we have talked to Bernie Sransen in Sudbury, for example, who is very interested. He is with the Sudbury regional building controls department.

**Mr. Martel:** So that could be proceeding?

**Mr. Adams:** Hopefully.

**Mr. Martel:** May I just come back to the minister then? Can you indicate, Sidney, when we're going to get another person in Sudbury? I can't buy this. There is just too much work there.

**Hon. Mr. Handleman:** As I say, I can't do that. The management of resources is a matter for the deputy minister and his senior staff. He has resources allocated to him from Management Board which are negotiated. We try to manage as best we can within those limitations. We do not have carte blanche to just go out and say, "We shall have people." We can rearrange within our own complement but what you're saying is you want us to rob Peter to pay Paul. This is a management decision. I have to leave it to the deputy and his staff.



**Mr. Martel:** You indicate that you have a number of people in, for example, Hamilton. How many people are there in Hamilton?

**Mr. Weinstein:** I don't have the list here, but I believe there are two in Hamilton.

**Mr. Martel:** Two in Hamilton?

**Mr. Weinstein:** Covering different legislation.

**Mr. Martel:** Right. Mr. Roy covers it all, though, by and large. Or he refers it to Toronto then, I presume.

**Hon. Mr. Handleman:** Maybe Mr. Young can comment on it.

**Mr. J. K. Young:** I can't offer any immediate assistance here but I believe one of our officials indicated to you that we are indeed reorganizing the business practices division. We do intend to spread our resources equitably over the province. If it should so happen that equitably means another person into Sudbury, bearing in mind the load over the whole province, then indeed we will do so. But we cannot create new people above the number that were allowed.

**Mr. Martel:** What happens when the load reaches a point that people can't cope? Would the public just be fleeced then?

**Mr. J. K. Young:** Then I have to go to Management Board and tell them that. Believe me, I do.

**Mr. Martel:** When are you going to Management Board? If Mr. Roy handles more written complaints than all of the regional offices, he must be loaded for bear. Maybe you don't need them. Maybe the people in the business community in parts of southern Ontario are more honest and forthright than some of the characters we have in the Sudbury area. Maybe you should send someone up there for a while and we really crack down and we houseclean.

**Mr. J. K. Young:** That will be considered, Mr. Martel.

**Mr. Martel:** Seriously, I hope.

**Mr. J. K. Young:** Seriously.

[5:15]

**Mr. Chairman:** The vote is item 6. I have a very short statement to make on item 6. I think the Act to prohibit unfair practices on sales to consumers, Bill 55, as it went through, remains deficient on possibly six or seven points. I shall simply say what I

think they are and ask you gentlemen to give them reconsideration this year and to bring in some amending legislation.

The director ought to be able to bring a civil suit on behalf of an individual consumer—not always, but at discretion and in matters of importance which have wide ramifications and effects on numerous consumers through the province.

The second thing is where the cease and desist order is given, the director or the tribunal should be able, as a term of the order, to order restitution to all consumers.

We have argued it. I assume we're not going to waste more time in these particular estimates to reiterate that. I think it's eminently intelligent that it should be so; he ought to have that power. Why hasn't he got it?

An appeal should be allowed by the consumer to the tribunal upon the refusal of the director of a cease and desist order. That's the other side of the coin.

The law is usually designed so that both parties to a proceeding may have equal rights and powers. On one side of the fence, the one complained against may make this appeal without overriding and going over the head of the director; in the case of the consumer, this is not possible. The reason used is the volume and various considerations like that. I find, as does Mr. Singer, that the whole area of consumer class actions is still in a nebulous stage.

You allow the courts, which haven't got the apparatus and are hog-tied by precedent, to try to work their way through on that when you have it at your fingertips, as a sovereign power, to be able to delineate what it's all about. It's been done in every other intelligent jurisdiction in the world and you still stand back and are hesitant and mull over the thing indefinitely.

There should be the power in the director or tribunal to order corrective advertising.

I won't push you on my six points of the substantiation power. I think that's in the future. I think a really enlightened ministry would probably move in that direction but I can't anticipate the coming of the kingdom just yet. With that in mind, I would stick to the fifth one—why not corrective advertising?

I just throw it out to you. I don't think I'm even anxious to elicit a response but if there is any I suppose I'll listen.

**Hon. Mr. Handleman.** I would like to comment on two, perhaps three, of the points you raised. The question of restitution, I think, is certainly very high in our priorities.



This is one of the items we have included every time we have considered an assurance of voluntary compliance—that it includes restitution to the complainants, even those complainants who weren't known to the ministry at the time that the order was issued.

Our recent experience with Vic Tanny, for example, indicates that we have achieved a great deal of success in obtaining restitution not only for the original complainants but those who came forward after the publicity which resulted from our proposal. I think the restitution aspect of your suggestion is pretty well taken care of. There may be additional powers which are necessary and I'll let the directors comment on that.

The question of class action, as I say, is under discussion. I think the Attorney General (Mr. McMurtry), who is responsible for the operation in the province, is the man who has to make that eventual decision. We're not going to be building it into our legislation. It's a matter for his jurisdiction.

Certainly, there is no objection in our ministry to the concept of class action. I think there is some concern that in most areas where class actions have been made possible there is also the question of contingency fee payment for attorneys. This is something which may have to be considered in conjunction with it but I'm not the expert in the field. I will leave that to the Attorney General.

What was your last point again?

**Mr. Chairman:** Corrective advertising.

**Hon. Mr. Handleman:** Corrective advertising, of course. There is an entire bureaucracy in Ottawa which, under the Competitions Act, deals with nothing but misleading advertising and the corrective measures required under it. I was there the other day and the assistant deputy minister gave us a good outline of the kinds of activities they are engaged in. They're doing it consistently and, as far as I can see, they're doing it quite well. There are some weaknesses and we're aware of those but I don't see any point in having an overlapping jurisdiction in that area where they claim, at least, that their Competitions Act fully covers it and that they have the staff to do it.

**Mr. Renwick:** I thought you just made a statement about that over the last weekend.

**Hon. Mr. Handleman:** I said we're looking at the possibility of those corrections which are done in accordance with the federal law escaping any of the consequences of the federal law, because they do bring in a cor-

rection. We're saying we're taking a look at it to determine whether or not it's possible for us to do something about it.

Mr. Gray, the former minister there, said it's not sufficient even under their legislation to put in corrective advertising. The advertiser can be challenged to show that his original advertisement was done in innocent error rather than through a deliberate error on his part. So presumably the federal legislation fully covers it, but we were concerned that simply placing a corrective ad didn't result in any penalty for having done something and then simply complied with the federal Act and put it in. Apparently there are greater measures that they can take.

With regard to the question of instituting action on behalf of a consumer, perhaps the director would want to say whether or not—well, he may not want to comment, but I'll leave it to him to say whether he does.

How many people would you need in order to intervene in the courts on behalf of a consumer?

**Mr. Weinstein:** The last word I had is that in British Columbia they have become very much concerned about the involvement because of government's support of class actions. We think they're regretting that item in the legislation, because it's becoming virtually impossible to handle. This is the last word we had.

**Hon. Mr. Handleman:** The deputy might care to comment. He was involved.

**Mr. J. K. Young:** As I recall, when the Business Practices Act was debated, there was some thought that a case could be made for there being prosecution by the government where the public interest might be served. It was felt that if you did it on behalf of people indiscriminately—just took on actions, that this—of course, that would be practising law by the government and may or may not be good. A case might be made for taking on test cases where the public interest might be served, and it was felt at that time, as I read the debate, that perhaps we should get some experience with the Act as it is and then perhaps at some time in the future, and maybe that time may be imminent, that power should be given to us.

Of course, that requires resources again, and raises the same old chicken and egg problem which I just went through with Mr. Martel. You would have to find resources out of our hide somewhere, or we would have to find new resources.



**Mr. Chairman:** Mr. Moffatt, then Mr. Singer.

**Mr. Moffatt:** Since the minister mentioned it—I had it written down—I wanted to find out what the status of Vic Tanny's is now.

**Mr. Singer:** May I talk about class actions now?

**Mr. Chairman:** Can you what?

**Mr. Singer:** Class actions, you know? Zero in to point four, before we dispose of that on the basis of the same ruling that you made against me.

**Mr. Chairman:** Well, I don't know what Mr. Moffatt's going to talk about.

**Hon. Mr. Handleman:** He is going to talk about Vic Tanny's.

**Mr. Moffatt:** I want to find out just where the Vic Tanny's escapade is, and I want to find out specifically why an ad is being carried on the radio now with regard to Vic Tanny's, even though a cease and desist—

**Mr. Chairman:** Mr. Moffatt, would you permit Mr. Singer to wind up on class actions and then proceed?

**Mr. Singer:** Thank you.

**Mr. Moffatt:** Knowing that he'll be short and brief, I will.

**Mr. Singer:** I'm worried about the concepts the minister just introduced.

**Hon. Mr. Handleman:** I didn't introduce it.

**Mr. Singer:** Well, you did. You used two words "contingency fee," which I as a lawyer here in Ontario find anathema, and the word "attorney," an American word for lawyer or barrister or solicitor. I would think most lawyers practising here are very strongly against contingency fees, and I, for one, don't like to be called an attorney and be put into the class that some of the lawyers are in other jurisdictions. We have a pretty good profession here in this province and it goes along certain lines.

The other thing that interests me is the basis of the kind of thing that Mr. Young was talking about. Were you talking about penal actions, or were you talking about a nominal civil suit?

**Mr. J. K. Young:** I was talking about actions under the Business Practices Act.

**Mr. Singer:** Yes. It would be in the form of saying to a business, "You have breached

a section and therefore you are liable to a fine, if you are convicted."

**Mr. J. K. Young:** Whatever the penalty provisions are under the Business Practices Act?

**Mr. Singer:** Yes. That's not really a class action kind of thing. In a class action, the people are trying to sue for something. They're saying, "Because you didn't put enough rustproofing on our car we've been put to such-and-such an expense and therefore you owe \$127.50 to each and every one of the hundred-thousand of us who bought that car." That is an entirely different kind of thing.

**Mr. J. K. Young:** Entirely different.

**Mr. Singer:** It's all very well to talk about it being the Attorney General's responsibility. One of the theories we had when we got into these secretariats was that there was an overlapping. A secretariat should be able to come forward with some kind of a policy. Theoretically, there's a Secretariat for Justice which includes your department, the Attorney General, the Solicitor General and Correctional Services. Surely, among all of you and the Secretariat for Justice, there should be some authoritative government position on class actions.

Either you think it can work or you think it can't work. Since this has been raised here rather forcefully under your estimates you have a responsibility to bring it before the Justice secretariat of which your department is a part. You should then come back and say, "We're going this way" or "We're not going that way," or whatever; "We like it," or "We don't like it," or "These are the difficulties."

At least bring before us some kind of position paper. Perhaps some of us would be very interested in the legal and complicated aspects of the situation. Here's a very complicated matter. Tell us where we're going. I've been around here long enough, unfortunately, to know that when a minister says that isn't his responsibility, that it's the responsibility of some other minister, it probably means the kiss of death. We'll probably never hear about it again.

What I'm really saying is that the minister has a duty and responsibility. This is not the first time it was raised. If you don't believe in it, tell us now. If you believe in it, take it forcefully before the Justice secretariat and get a government position on it. It's not going to be solved quickly. It's very complicated. Tell us what it is. You're not going



to be able to tell us during these estimates obviously, but tell us in the House. I think you have that duty and responsibility and I think you should accept.

**Hon. Mr. Handleman:** First of all, I think I would be remiss if I were to enunciate a government position which hasn't been determined, obviously. Secondly, the initiation of government policy should come from an operating ministry. I obviously am a member of the Justice policy field and can ask the responsible minister to bring forward initiatives in this field. I can ask him to say yes or no. That's something I can do.

As a matter of fact, the Attorney General and I have discussed it informally. There is no position paper. But any position paper, in my view, in the normal way that government policy is formulated, would be from the operating ministry. In this case it happens to be the Attorney General. It certainly is not my position to say to the Attorney General he shall do certain court reforms since what's involved here may fit our needs or we may feel it is desirable.

I think my predecessor, who eventually became Attorney General, made it clear in his estimates that it was a matter for the Attorney General, and the present Attorney General has been made aware of this. You may want to ask him during his estimates.

**Mr. Singer:** That's the sloughing off.

**Hon. Mr. Handleman:** No, it's not.

**Mr. Singer:** You should say, "We'll take it there and we'll say somewhere shortly that this is policy." I don't expect this minister to say, "I have instructed the Attorney General." I think a group of you could get together and find out which one of you is going to act. If neither of you is going to act, let's hear that.

**Mr. Renwick:** Mr. Chairman, may I make a brief comment on this class action thing. I think the point that worries me, and worries Mr. Singer obviously, is that it is really nothing to do with the Attorney General. It's a matter of policy in all instances. The Attorney General, in his capacity as chief law officer, can devise the method by which the policy is implemented.

When you go back in legal relationships there's the equivalent of class action when it comes to dealing with real property. Early along they devised either the building scheme or the covenant running with the land, which is the equivalent way of saying that a group of people can enforce a collective

interest against a person who infringes that interest.

[5:30]

You get the same situation when a group of people move before the Municipal Board and in various other ways against the Spadina Expressway in the period prior to 1971 and retain John Robinette because they're wealthy enough to pay him. The contingency fee is strictly a red herring. You and I and Vernon Singer and every other lawyer in the assembly will not be around when the contingency fee question is dealt with in the Province of Ontario. What we're really talking about is—

**Mr. Chairman:** Singer will.

**Mr. Renwick:** —what is the kind of common bond that allows people collectively to get effective legal action when no one of them can afford to bear the cost of dealing with it? That's the real fundamental problem. The common bond, of course, in the area with which we're concerned, reinforces again the position that in the consumer field—whether it's consumers for individual items of personal property such as motor cars or washing machines or consumer durables, or whether it's in the field of services such as the provision of utility services by a telephone company or a gas company operating in a semi-monopoly field—you have an immense number of people with a common bond of a similar contract for that service or for that commodity. But no one of them can afford the cost of dealing with the person who has infringed their particular contractual right.

There are a number of ways of solving it but to go on for any length of time in the Province of Ontario without recognizing that that is also a valid, common bond and without providing some method by which those persons who come together collectively to enforce their identical contract for the good or the service that they're concerned about, the way of enforcing it is not beyond the wit of man to devise.

It's quite legitimate, I think, for this ministry to say to the Attorney General of the Province of Ontario: Contingency fees or no contingency fees are not our concern. We consider, as a ministry, that in the field of policy in the Province of Ontario there's got to be some method by which the common bond of an immense number of people, who have substantially similar if not identical contracts for a particular good, be it an automobile or a service or something else, in some way provides access to the courts.



This is not for the purpose of clogging up the courts but for getting a remedy for all members of the same group who have the common bond, commensurate with the cost that will be involved in enforcing those rights. No one person can sue Ford on the rust question and no one person could have, in British Columbia, sued the BC Telephone Company for the rebate of the particular adequate proportion of the over-charge on the utility service or whatever that case was.

That, I think, is a fundamental question and I think Mr. Singer would agree with me that that is a policy question. And then you can say to the Attorney General: Look, you know all about the courts; you know how the hell to get it there. Any number of other people have got to the courts over the centuries one way or another. It may have taken them a long time but they finally got there. You devise the system that will implement this policy and implement it effectively. That policy overrides an internal problem of the legal profession about whether they should or should not have contingency fees.

**Hon. Mr. Handleman:** I'm not suggesting that the contingency fee is tied to the other. It's simply that whenever you discuss this it arises and I felt that it should be resolved somewhere eventually; not now. I think what you say is quite legitimate. One of the things I'm sure you're aware of is that when this is brought up we are told that there are techniques to deal with the common bond problem. There are a variety of them. People band together in financing a test case and persuading the other litigant to settle with all the others out of court. This kind of thing is being done. It's not entirely satisfactory but it is being done. No, I have no objection to putting that position to the Attorney General and hoping that he will tell us.

First, it would have to be accepted as a matter of government policy. Obviously that would be ministry policy. It is a little bit bigger than us. Once he accepted that, as you say, the acceptance would be tied to the implementation. I don't think you'd say you are going to announce this policy and then two years later, you are going to find a way of doing it. I think we are going to have to tie in the implementation to any policy announcement made.

**Mr. Renwick:** I don't disagree with that. I think once the policy by the government is decided on, it is up to the Attorney General to work out the method to implement it.

You know as well as I do that if there were a common bond among people who are

relatively poor, it is impossible, for example, to get a legal aid certificate to enforce the common bond interest, let alone for an individual to get it, for a group to get it, even though the Province of Ontario could say, "All right; over a period of time, we will assess the ability of the people with the common bond to pay it. Some are entitled to it without repayment. Some are entitled to some portion of repayment." You can never get that kind of a legal aid certificate. The instrumentalities to carry it out are immense. All it takes is a little ingenuity.

**Mr. Moffatt:** As I said earlier, I have a number of questions I would like to ask about this but I would like the minister to tell us where the Vic Tanny's escapade is at this point.

**Hon. Mr. Handleman:** Vic Tanny's, of course, was issued with a proposal to cease and desist certain business practices. They did not appeal that proposal. They had 15 days in which to ask the Commercial Registration Appeal Tribunal to quash the order and they did not take that. They did come in with their solicitors and negotiate an agreement with us. The agreement, in our view, has achieved everything we asked them to do in the form of a cease and desist order. In other words, they have agreed to adhere to the business practices which we have put to them. They have also agreed to make restitution to all of those who have complained and who have legitimate claims for restitution.

Those are the only things we could require under our Act but in addition to that, they have volunteered—and we have no authority to enforce them—to develop what they consider to be a code of ethics for the operation of the fitness club industry. They have published that in advertising, I think today, putting forward certain elements of a code of ethics. Those have no status. We haven't approved the code of ethics. That is their own self-imposed code and whether it is limiting or not, I suppose we will have to study it. They have complied with everything we have asked them to do.

**Mr. Moffatt:** When the cease and desist order was on, did the advertising which was being carried on by Budd's World of Furniture warehouse, with regard to a free Vic Tanny's membership, not contravene the Act?

**Hon. Mr. Handleman:** No. Vic Tanny's did not advertise. They ceased advertising the day we served them with the proposal. I think they operated quite legitimately within the terms of the Business Practices Act. When some other person has bought a Vic Tanny's



membership and wishes to give it away to his customers, that in itself could be a consumer misrepresentation but certainly not by Vic Tanny's.

**Mr. Moffatt:** Was the wording and the kind of transaction Budd's was offering investigated by your staff?

**Hon. Mr. Handleman:** Which one?

**Mr. Moffatt:** The free Vic Tanny's membership or whatever it was. It was a series of things depending upon the amount purchased.

**Hon. Mr. Handleman:** I'll ask the staff if they have investigated it.

**Mr. Molyneux:** I wasn't aware of that. Did it appear only in Oshawa and Whitby?

**Mr. Moffatt:** I heard it once on CFTR, the Toronto radio station, last week. It was drawn to my attention that Vic Tanny's was under a cease and desist order and therefore that was probably a contravention of the Act. I didn't pursue it because I wasn't aware of all the ramifications.

It seems to me that if Vic Tanny's is under that kind of order, it would be logical to assume that any other business which was using Vic Tanny's as a form of advertising or whatever would at least be scrutinized by the ministry.

**Mr. Molyneux:** The point is that our cease and desist proposal doesn't order Vic Tanny's to cease operation or cease offering fitness club memberships.

**Hon. Mr. Handleman:** In this case, Vic Tanny's was offering nothing. Somebody had bought something from Vic Tanny's and was offering it to his customers and I think we have to deal with that as a completely separate issue, unless we could prove there was collusion. But unless that is alleged, I think there is no way that we could stop somebody. If we, as we are, tell the Jaycees, for example, not to do certain things with regard to a circus, that certainly doesn't mean the Jaycees are completely stopped from operating.

**Mr. Moffatt:** What is the connection between Budd's World of Furniture warehouse and Vic Tanny's?

**Hon. Mr. Handleman:** I have no idea. We would have to look into it and we haven't looked into it. This is what Mr. Molyneux said.

**Mr. Moffatt:** Will you look into that?

**Mr. Molyneux:** Yes, we will be glad to.

**Mr. Renwick:** Could I speak about the Vic Tanny's thing for a moment?

Interjections.

**Mr. Moffatt:** Where was the cease and desist order served on Vic Tanny's?

**Mr. Molyneux:** Mr. Mitchell could perhaps answer that, but temporarily it was served on them at their major place of business, 2200 Yonge.

**Mr. Moffatt:** 2200 Yonge?

**Mr. Molyneux:** Yes, that is their head office.

**Mr. Moffatt:** The cease and desist order was served on an officer of the company or on whom?

**Mr. Molyneux:** Mr. Mitchell can give you the details.

**Mr. Mitchell:** The cease and desist order, or the proposal for a cease and desist order, was served on, I believe, a total of seven people. Gerry Farantatos, who is the president, was served at his home in Mississauga. The corporate people who are at 2200 Yonge were served. I can't tell you the exact names, I have no notes, but I believe one name was Wheeler. I believe another one may have been White, but I can't tell you that.

**Mr. Moffatt:** When the response to the cease and desist order was received, from whom was the proposal, or the compromise, or the agreement, or whatever, received?

**Mr. Molyneux:** The negotiations took place between Mr. Gary Smith, QC, of Weir and Foulds, and Mr. Harvey White, whose correct title, I think, is vice-president, marketing, of Vic Tanny's.

**Mr. Moffatt:** Is the decision-making to abide by this cease and desist order done in Ontario or in Toronto or is it in the United States?

**Mr. Molyneux:** Throughout the Province of Ontario.

**Mr. Moffatt:** Only?

**Hon. Mr. Handleman:** We have no jurisdiction anywhere else.

**Mr. Moffatt:** I would like to find out who makes the decision as to whether that company will abide by the rule of the Province of Ontario.



**Hon. Mr. Handleman:** I think the government of Ontario makes that decision. We've told them what the rules are and they have agreed to abide by them everywhere in the Province of Ontario. They haven't agreed to abide by it in South Carolina nor do we have any concern about whether they do or not.

**Mr. Moffatt:** No, but I am sure that the Ontario subsidiary of this international company must receive some direction from somewhere else. All I am attempting to find out is how you have any sort of assurance from the real decision-making power in that company that they will, in fact, abide by a law in Ontario. Or do you have an assurance of a member of the company who may tomorrow, or next week, or next month, find that his corporate superiors have overturned his decision?

**Hon. Mr. Handleman:** First of all, the Ontario operation of Vic Tanny's is wholly owned and controlled by Ontario people. There is no foreign money in it whatsoever. They have obviously bought the name, bought the goodwill and bought all the assets. There is no subsidiary of any foreign operations. When you say, "Do we have any assurance?" I suppose you could say that we have the assurance of a senior officer of the company and a reputable solicitor who has negotiated an agreement with us. Obviously, anybody who violates the Act is subject to the penalties under the Act. This is what the enforcement procedures are. We have no intention whatsoever of penalizing somebody who hasn't committed an offence.

**Mr. Moffatt:** On what grounds can the minister assure me that the money running Vic Tanny's is not from foreign countries? How do you know the statement you just made is accurate?

[5:45]

**Hon. Mr. Handleman:** We have a registration in Ontario as an Ontario company, giving us the names of the board of directors and, presumably, we can identify foreign companies with our own companies branch.

**Mr. J. K. Young:** As I understand it, the holding company is an Ontario corporation which is listed on the Toronto Stock Exchange—so the shareholdings could be very broad and you couldn't be specific, naturally, in that kind of a corporation. But it is listed on the Toronto Stock Exchange and the shares are tradable and can be bought by anybody.

**Mr. Moffatt:** In other words, there could well be foreign money in Vic Tanny's.

**Mr. J. K. Young:** There may be, but I would think it would be incidental, because the Ontario operation was bought outright by this Ontario corporation, including the name, goodwill and facilities.

**Hon. Mr. Handleman:** I think Mr. Molyneux probably has some additional information, because he made sure of it.

**Mr. Molyneux:** Just to show you, Mr. Moffatt, although this wasn't overly clear from negotiations, it is my understanding that the code of ethics, which is now being publicized in Ontario, is based on a similar code of ethics being used in operations in the United States. I'm not saying there's a benevolent influence coming from the south, I'm just saying we believe we owe them the code of ethics and, perhaps, a revised course of action in Ontario. Whether it will result in any pressures or not, we have no knowledge, but it's certainly based upon a code of ethics now in operation in the US fitness clubs.

**Mr. Moffatt:** So one would then assume there is a pretty direct connection between Vic Tanny's and the US.

**Mr. Molyneux:** There is no reason why one assumes there's an exchange of information between them. The vice-president of marketing, Mr. Harvey White, came back to the negotiations from a North American conference of fitness club operators. It may well be that the code was discussed at that, and that is the one that he uses as the basis of his operations; I don't know. We are not interested in placing our imprimatur on the code of ethics. We're merely glad that they introduced a code of ethics which materially improves their method of operation in Ontario.

For example, for the first time there is—not very long, but at least some—a two-day cancellation period. Previously, as you know, they were rigid in their enforcement of contracts. Two days isn't very much, but that was given as a part of the code—and I assume, therefore, a part of operations.

**Hon. Mr. Handleman:** Mr. Mitchell has some information specifically regarding the ownership and control of this company.

**Mr. Mitchell:** I believe the name I gave you, Gerry Farantatos, through a holding company—I believe it's called Farantatos Holdings—owns 51 per cent of a corporation called Venpower Ltd.

**Mr. Moffatt:** What's the name?



**Mr. Mitchell:** I believe Venpower Ltd. is the name. It is listed on the Toronto Stock Exchange. Venpower Ltd. owns Vic Tanny's installations as we know them. And the Vic Tanny's installations here are a combination of a myriad of companies, I would suggest probably as many as 10.

**Mr. Moffatt:** I have one final question on Vic Tanny's, then I have another question or so I want to pose—but Mr. Renwick has one here.

What conversations has the minister had with the Ministry of Labour or the staff with regard to the happenings this morning at 2200 Yonge St.?

**Hon. Mr. Handleman:** I heard from the Minister of Labour (B. Stephenson) that there had been a temporary walkout and that they had gone back into work. We know nothing of the dispute between Vic Tanny's and its employees. It hasn't come to my attention other than that. It was a very brief conversation in which I was told that there had been a walkout and that they had gone back. I've had nothing to do with Vic Tanny's in this whole operation. One of the features of the Act is that the director does all of the contacting. The minister stays out of it completely.

**Mr. Moffatt:** That's fine. Go ahead.

**Mr. Renwick:** Mr. Chairman, I only have a couple of questions on Vic Tanny's, because it's a first for practical purposes, as I understand it.

First of all, could we have copies before this committee reconvenes again of the proposal made by the ministry and the actual terms of the cease and desist order that was consented to? First of all, is that possible?

Secondly, the thing which bothered me was the exploitative use which was immediately made by Vic Tanny's of the consent decree. That bothered me. That's the way it came across to me as I received it over the airwaves and through the media.

Thirdly, I think we don't have much experience in Ontario with things called consent decrees and they're going to have to be a hell of a lot tougher than I anticipate this particular one was.

Fourthly, I would like to know whether or not it is a franchise operation in any way, despite the intricate corporate setup they have. If it is a franchise operation you have to ask the franchise holder to covenant in Ontario on behalf of whoever else dictates any of his terms that, if there are any changes

in something mysterious called this code of ethics which suddenly appeared over the airwaves—as though Vic Tanny's was front-running the improvement of business practices in Ontario for a lot of other people and that this was sort of an industry-wide generation of goodwill to the people of the province—you're going to have to insist in some way that whatever the intricacies of the arrangements between the various organizations, there will be no exploitation directly or indirectly.

I'm thinking of the Vic Tanny's operation operating, for example, through beamed-in television or radio from across the border, one way or another.

I'm just concerned. I recognize it's a first and I give the ministry credit for taking the initiative to do it in a glaring example. I would like very much to see the documentation because I certainly think it was a long way from being tough enough or letting the Vic Tanny's of the world and all the people behind them understand very clearly that the government of Ontario is not going to allow them to think that it is either ignorant about how these things operate or naive. In some way I get the sensation that they treated you people somewhat as sort of babes in the manger and pulled one on you, to a degree.

**Hon. Mr. Handleman:** After all the complimentary things that were said about Weir and Foulds here, I wouldn't want to agree with what you said. I don't think their solicitor, a member of that firm, would try to pull something on the Ontario government. We have not approved the code of ethics. That is something they threw in and they did it completely on their own. I don't know whether it is in the agreement or not because the agreement is signed between the director and the company.

**Mr. Renwick:** But you do agree it was highlighted in their version of what the hell happened.

**Hon. Mr. Handleman:** No question about it. They have exploited—

**Mr. Renwick:** They should have been precluded from exploiting the consent decree.

**Hon. Mr. Handleman:** I don't know whether you can call it a consent decree. There is an agreement between the director and the company to abide by certain conditions and to that extent we have obtained agreement.

I quite agree with you. I think it has been exploited. I haven't really read the ad line by



line. I don't think they have used the ministry's name in it. If they have, we would certainly object to that. The possibility exists, of course, of them taking advantage of a situation and I think we would have to watch it very closely.

There is also the question, as you say, of the connections between Vic Tanny's operations in the United States and any Vic Tanny's operation here. I think Mr. Mitchell has some information as to status of it as a franchise operation. As you know, we have no franchise legislation in Ontario.

**Mr. Renwick:** That was going to be my next question. When the hell are we going to have some franchise legislation in the Province of Ontario?

**Mr. Drea:** We're working on it.

**Hon. Mr. Handleman:** Mr. Mitchell can tell you whether or not they are a franchise operation.

**Mr. Mitchell:** My information is that Vic Tanny Holdings Ltd. owns outright all its installations in Ontario, except for two installations in the city of Windsor.

**Mr. Renwick:** When you say "installations," you're talking about the physical—

**Mr. Mitchell:** That's right. This is the health spas—

**Mr. Renwick:** Do they own and control, as employer-employee, in that specific relationship, the people who run those operations?

**Mr. Mitchell:** That's correct, sir.

**Mr. Renwick:** They are employees? There is no franchise relationship between the person who happens to have the physical installation.

**Mr. Mitchell:** No, that's correct. I am told they are employees and for the large part, working on a commission basis.

**Mr. Renwick:** They can't be both, can they?

**Mr. Mitchell:** Why not?

**Mr. Renwick:** Okay. All I'm saying is that that is part of the nebulous kind of relationships which exist. While an employee may be an agent of his employer he is at a different status than a person who works for commission for a life insurance company or something else. The commission arrangement comes very close to breaching the legal con-

cept of an employer-employee relationship. I am not trying to argue the legalities. All I am saying is that there is an infinite variety of relationships. I have a real feeling there is a franchise element but not in the same sense as the chicken places.

**Hon. Mr. Handleman:** Colonel Sanders?

**Mr. Renwick:** Perhaps closer to Frank Drea's heart in the same kind of sense as the dance places, where somebody owns all the physical part. The guy who runs it doesn't get paid except out of what he makes. He is not really an employer-employee. There can be no real connection that way. However, I have gone on too long. Can I have the documents? Can I have a copy of the ministry proposal in the first place, and of the agreement which was finally entered into?

**Hon. Mr. Handleman:** Yes, sir.

**Mr. Renwick:** I would like to look it over between now and the time we meet again. I am quite interested—not to clobber the ministry—but simply for the purpose of seeing the first one, that's all.

**Mr. Chairman:** The answer is yes.

**Mr. Renwick:** What about franchise legislation?

**Hon. Mr. Handleman:** It's in the works.

**Mr. Renwick:** Oh, my God. When is it coming out?

**Hon. Mr. Handleman:** I really can't tell you, Mr. Renwick.

**Mr. Renwick:** Is there any chance this fall?

**Hon. Mr. Handleman:** It's a question, I think, of government policy. As you know, we have been working on franchise legislation. There was a committee who worked on it.

**Mr. Renwick:** Oh, I know, a very good committee.

**Hon. Mr. Handleman:** Yes, a very good committee. We have made use of some of those people on other committees since then because they did develop a good policy. It is a question, I suppose, of the government accepting this kind of policy. So far I am awaiting that kind of permission.

**Mr. B. Newman:** Mr. Chairman, I wanted to ask what was the difference in the operation of the Vic Tanny's salons. How does Windsor differ from the other operations you mentioned just a while ago?



**Mr. Mitchell:** I understand the Windsor operations are controlled by American interests.

**Mr. B. Newman:** I see.

**Mr. Mitchell:** The other installations in Ontario that we know under Vic Tanny Holdings Ltd. are controlled by Venpower Ltd.

**Mr. B. Newman:** Do they follow the same code of ethics in the Windsor area as Vic Tanny's does in the Toronto area?

**Mr. Mitchell:** I couldn't answer that, sir.

**Mr. B. Newman:** Could there not be some—

**Hon. Mr. Handleman:** Well, of course, the code of ethics is a voluntary thing.

**Mr. B. Newman:** Yes, I know that.

**Hon. Mr. Handleman:** What we have is an agreement under the Business Practices Act for all the operations in Ontario.

**Mr. B. Newman:** Does that include the Windsor operation, seeing that they are a different operation?

**Hon. Mr. Handleman:** No.

**Mr. B. Newman:** They are not. Then shouldn't that be straightened out, because I would assume people in my own community would figure that they are being governed by the agreement?

**Hon. Mr. Handleman:** They weren't a party to the original order and therefore are not included, are they, Mr. Molyneux?

**Mr. Molyneux:** No, they weren't a party to the old agreement. There is an exchange of

correspondence which relates to it. Mr. Harvey White was informing the Windsor operations of the code of ethics and is seeing that they conform because they are within the Ontario jurisdiction.

**Mr. B. Newman:** Have there been no complaints at all concerning the Windsor operations of Vic Tanny's?

**Hon. Mr. Handleman:** No, I don't believe so.

**Mr. Moffatt:** Mr. Chairman, is there a connection between Venpower and Vic Tanny's in Windsor?

**Mr. Mitchell:** I understand Venpower has absolutely no connection with Vic Tanny's in Windsor. My understanding is that Vic Tanny's originally was an American operation. The Vic Tanny's operation in Ontario was eventually purchased. The Windsor installation, as I understand, occurred after Venpower got control of Vic Tanny's installations here. Venpower may control some Vic Tanny's installations outside the Province of Ontario. I can't tell you at the moment.

**Mr. Chairman:** Shall vote 1302, item 6, carry?

**Mr. Renwick:** I would like to hold it until Monday until we have a chance to look at this agreement, if that is agreeable with you, Mr. Chairman. I don't want to prolong this item. I know it has been on a long time.

**Mr. Chairman:** Very good. The committee is adjourned until Monday after question period.

The committee adjourned at 6 p.m.



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**Ministry of Consumer and Commercial Relations officials taking part:**

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# Legislature of Ontario Debates

SUPPLY COMMITTEE—1

ESTIMATES, MINISTRY OF  
GOVERNMENT SERVICES

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Thursday, May 13, 1976

Evening Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

THURSDAY, MAY 13, 1976

The committee resumed at 8:03 p.m. in committee room No. 1.

#### ESTIMATES, MINISTRY OF GOVERNMENT SERVICES (continued)

On vote 803:

**Mr. McClellan:** As I said before, I have been waiting almost since the day of the election to be able to have the opportunity to raise my concerns directly with the minister with respect to the practice of contracting out cleaning and maintenance servicing of government office buildings.

I don't think I need to belabour the incident we are familiar with last fall when the employees of Modern Building Maintenance Services had managed to secure a union contract and for the first time a substantial increase in their wage above the minimum wage only to find that, because of the Ontario government's practice of contracting cleaning and maintenance service without fair wage provisions, their employer lost the contract to a competitor who submitted a bid at the minimum wage. It appeared for a time that 100 employees were on the verge of losing their jobs. The subsequent community outrage, I think is the only way to describe it, was sufficient to compel the then Minister of Government Services (Mr. Snow) to intervene on behalf of the employees. They were given employment by Consolidated Cleaning Services which now has the contract.

It doesn't address itself to the problem, which is the complete absence of fair wage provisions at the very least in the government's tendering practices. I have only to point to the city of Toronto to give you an example of a government which is able to deal with the problem in a rational way and is able to make sure that when contracts for cleaning city property are tendered out they are awarded to people who are paying the going rate within the cleaning industry which is something in the range of between \$3.50 and \$4.50 an hour, I understand, substan-

tially higher than the pittance that is still paid by this province.

Subsequent to the events of last fall, and I refer to an article which was in the Toronto Globe and Mail on Feb. 7, 1976, it was asserted that Consolidated Cleaning Services had introduced a variety of unfair employment practices which had served in effect to reduce the condition of the employees to an extent it was probably worse than it was before by the simple fiddle, I understand, of reducing the number of hours worked on the shift from six hours to five. This had the net effect or the ultimate effect of making a day's pay exactly the same as it was at the minimum wage, \$14.50 a day, an incredibly generous kind of business that the Ontario government is paying for.

I don't think I need to point out that the people who work in the cleaning industry are, by and large, women. Almost all of them are recent immigrants to this country. Most of them are Portuguese-speaking and speak virtually no English. They are the most vulnerable to the kind of exploitation that seems to characterize the private cleaning industry. It has been described by Al Hearn, the president of the Service Employees' International Union, as an evil industry, and I think that that is a fair characterization of the private cleaning industry. It exists by virtue of its ability to exploit immigrant workers. This government by its refusal, its failure, to introduce fair wage provisions, successor rights clauses and fair employment practice provisions into its tendering practices is simply perpetuating this kind of abuse of immigrant workers.

Let me just remind the minister that when we raised the issue last fall with Mr. Snow he promised at that time that there would be forthcoming recommendations from the Ministry of Labour with respect to the introduction of fair wage provisions and, I would hope as well, fair employment and successor rights provisions. I am sorry that I am not as familiar with your ministry as I perhaps should be, but I don't know whether Mr. Thatcher is still your deputy minister.



Hon. Mrs. Scrivener: May I just interrupt a moment?

Mr. McClellan: Sure.

Hon. Mrs. Scrivener: You just said a moment ago we raised the issue with Mr. Snow. Were you present on Oct. 6 last fall and did you raise the issue?

Mr. McClellan: On Oct. 6? I am not sure to what you are referring.

Hon. Mrs. Scrivener: You just said "we raised the issue." I assume you were present.

Mr. McClellan: Let me explain. The issue was raised at the press conference that was held in the media studio here at Queen's Park.

Hon. Mrs. Scrivener: Were you present?

Mr. McClellan: Yes, I was. It was Oct. 6 and I was sitting beside Mr. Snow. That was the point where he said that there were recommendations forthcoming from the Ministry of Labour. Is Mr. Thatcher still your deputy?

Hon. Mrs. Scrivener: Mr. Thatcher is right here beside me.

Mr. McClellan: My understanding is that Mr. Thatcher had given a pledge that a fair wage scale would be written into any future contracts and that bids would no longer be automatically accepted at the lowest bid, based on the minimum wage.

Hon. Mrs. Scrivener: It has been done and still is in the process of being done as the contracts are being changed. It won't be completed until about June.

Mr. McClellan: I would be grateful if you would elaborate on that.

Hon. Mrs. Scrivener: I would be pleased to. There is a clause which is going in all of the contracts which is approximately in these words. This has been developed in connection with the Ministry of Labour, and we use it in other contracts as well: The hours of work, the rates of wages paid and the working conditions shall be in accordance with the labour conditions found herein following these general conditions. The rates of wages that shall be paid shall be subject to increase or adjustment at any time during the tendering and/or terms of the contract and all increases in the cost of performing the work due to wage increases or adjustments shall be borne by the contractor without additional cost to the ministry.

Mr. McClellan: I would appreciate receiving a copy of that if I may. I may be wrong but that doesn't sound to me to relate wage rates to the going rate in the industry. Correct me if I'm wrong.

Hon. Mrs. Scrivener: It does indeed. The fair wage rate is above the minimum wage and has been established on a schedule.

Mr. McClellan: I see. And you have the schedule?

Hon. Mrs. Scrivener: The schedule falls into two classes: light duty and heavy duty. The light duty cleaner in terms of the fair wage rate for Metro for normal work receives \$2.76, whereas the minimum wage is \$2.65.

Mr. McClellan: Excuse me. When you say Metro, do you mean—

Hon. Mrs. Scrivener: Metro Toronto. The shift rate is also \$2.76 as against \$2.65.

Mr. McClellan: How does that compare? It doesn't sound right.

Hon. Mrs. Scrivener: The heavy duty rate for normal work is \$3.56 as against a minimum of \$2.65 and the shift rate is also \$3.56.

Mr. McClellan: If I could receive a copy of the clause, plus the schedule, it would be helpful. I don't think though that your schedule compares very favourably with going rates within the civil service for equivalent work. Would you have figures on the current hourly pay scales for equivalent work of cleaning and maintenance personnel who are members of the Civil Service Association?

Hon. Mrs. Scrivener: Yes. In terms of civil service, the normal rate is \$3.62.

Mr. McClellan: For?

Hon. Mrs. Scrivener: An hour.

Mr. McClellan: For light duties?

Hon. Mrs. Scrivener: For normal rates. That is the minimum. The shift rate is \$3.78.

Mr. McClellan: Isn't that almost 80 cents an hour less than your schedule?

Hon. Mrs. Scrivener: For the heavy duty it is \$4.28 for normal work and shift rate is \$4.44.

Mr. McClellan: Would you not agree that there was a substantial discrepancy between the rates paid to members of the Civil Service Association and your schedule?



**Hon. Mrs. Scrivener:** Yes, that is perfectly obvious. We are the employers for the civil service. That is not so with our contract cleaners. We simply have established a basic fair wage which all our contract cleaners must be paid as a minimum.

**Mr. McClellan:** How did you determine "fair?"

**Hon. Mrs. Scrivener:** The fair wage rate is something that was developed between the Ministry of Labour and with the union.

[8:15]

**Mr. McClellan:** In comparison with what?

**Hon. Mrs. Scrivener:** I don't know how it was set. I don't know in comparison with what.

**Mr. McClellan:** Perhaps your officials will know the basis upon which the schedule was set, since there is such an incredibly high variance between the amounts paid to permanent civil servants, permanent government employees and people working on contract to the government.

**Mr. Thatcher:** It only shows really that the government is a good employer. It's paying higher than the going rates to the industry.

**Mr. McClellan:** Since the industry pays the minimum wage it is hardly an adequate basis of comparison, would you not say?

**Mr. Thatcher:** I would say that the fair wage rate established by the Minister of Labour is based on the going rate in the industry—based on the research that they have done within the industry—whereas the rates paid by the government are somewhat higher than the going rate in the industry.

**Mr. McClellan:** And you base a fair wage on the going rate paid in an industry that pays the minimum wage. Is that what you are telling me?

**Mr. Thatcher:** I don't know that the industry does pay the minimum wage. I know many firms that pay higher than the minimum wage.

**Mr. McClellan:** Obviously, I am not able to pursue it further at this point, except to say that—

**Hon. Mrs. Scrivener:** Let us say this—that any contracts being awarded by this government at this time ensure that contract workers will receive, as a minimum, the fair wage rate.

**Mr. McClellan:** Yes, your definition of what a fair wage is and my definition—

**Hon. Mrs. Scrivener:** No, not my definition.

**Mr. McClellan:** Your government's definition of what a fair wage is and my definition of what a fair wage is are obviously very different. Let me ask you—

**Hon. Mrs. Scrivener:** What is your suggestion, then?

**Mr. McClellan:** My suggestion, very simply, is that the fair wage rate be commensurate with what you are paying members of the Civil Service Association for identical work.

**Hon. Mrs. Scrivener:** No, not identical work.

**Mr. McClellan:** That's what I had asked for—the comparison.

**Hon. Mrs. Scrivener:** I see.

**Mr. McClellan:** If the comparison wasn't valid, so be it. But I had asked for the wage scales of Ontario government employees doing equivalent work. I assumed that that was what the \$3.62 and the \$4.28 figures are, respectively. If I am wrong, perhaps you could obtain the correct figures. But I see no justification whatsoever for paying a substantially lower rate to people doing the equivalent, or the identical kind of work because they don't happen to have the benefit of civil service status. And if you can rationalize that I would be interested to hear it.

**Hon. Mrs. Scrivener:** But you talk as if we pay those workers. We do not. Those workers are not our employees.

**Mr. McClellan:** But your fair wage schedule surely ought to be commensurate with the wages that you pay to your own employees. Why discriminate against employees simply by virtue of the fact there's a contractor in between you and them?

**Hon. Mrs. Scrivener:** I am suggesting that your word "discrimination" is incorrectly used.

**Mr. McClellan:** You are free to suggest, Madam Minister, but the fact remains of a substantial discrepancy. You can call it what you want, and I will call it what I want. Can I ask, Mr. Chairman, whether there are provisions for successor rights in the clause referred to a moment ago by the—

**Hon. Mrs. Scrivener:** No, there are not.



**Mr. McClellan:** Can you explain why you would be prepared to allow another episode like the one last fall in the event that Consolidated Cleaning Services happens to be under bid when its contract comes up? What would happen to the 107 people who now work for them, or is that not your responsibility?

**Hon. Mrs. Scrivener:** I don't foresee that there would be a recurrence of that.

**Mr. McClellan:** Why not? What is to prevent it in the absence of a successor rights clause? There is no obligation on the part of the contractor who may, hypothetically, beat out Consolidated Cleaning Services to hire Consolidated Cleaning Services employees.

**Hon. Mrs. Scrivener:** Well, it may be that the Service Employees' International Union Local 204 will come very much to the fore in future negotiations.

**Mr. McClellan:** In that case, let me ask the logical next question. Do you have a union successor rights clause in your contracting practices? Of course not.

**Hon. Mrs. Scrivener:** No, we do not.

**Mr. McClellan:** Then don't suggest to me that the Service Employees' International Union is going to be able to protect the employees in the absence of a union successor rights clause. It's absurd. It simply permits the destruction of bargaining units every time a contract comes up for bid and renewal.

**Hon. Mrs. Scrivener:** Never the less, that union did transfer from one contract to another and did it very well; it was an able bargainer.

**Mr. McClellan:** You think that a union ought to have to make a public fight out of the right of its bargaining unit to continue from one contract to the other on each separate—

**Hon. Mrs. Scrivener:** There was no public fight.

**Mr. McClellan:** Indeed there was, Madam Minister. That's one of the things that the whole hubbub last fall was all about. Again, we're free to disagree, but I don't see how you can rationalize the absence of a successor rights clause that guarantees to the cleaning staff the right to continue their job, their livelihood, in the event that their employer loses the contract and it is awarded to another contractor, and I don't see how you can rationalize the absence of a union successor

rights clause that protects the right of the same employees to collective bargaining.

**Mr. Chairman:** Any further comments, Mr. McClellan?

**Mr. McClellan:** I'm both pleased and disappointed, I suppose, that there has been some marginal progress. I'm not at all convinced that the schedule that has been presented by the minister represents a fair wage scale. I'll endeavour to do some more work on that and determine myself the schedule's relationship to the going rates by fair employers, and not by the kind of exploiters who, in the main, are characteristic of the private cleaning industry in this particular city.

Again, I'm disappointed by the absence of successor rights clauses. I think that low-paid immigrant workers are entitled to job security. I will tell you in no uncertain terms that our preference is for a complete abolition of the contracting-out process. If there are cleaning and maintenance jobs that need to be done in Ontario government office buildings, these people ought to be given the full protection of civil service status. There probably ought to be a branch in your ministry where such employees could be located. That is the only equitable solution to this problem. But if you are dead set against doing that, at the very least you can introduce successor rights provisions to guarantee some stability of employment to what is still a very vulnerable group of people in this community.

I have a question on the order paper with respect to your tendering practices and I want to ask the minister whether she is intending to reply to that.

**Hon. Mrs. Scrivener:** I will reply to it, but you asked a very sweeping question.

**Mr. McClellan:** I understand.

**Hon. Mrs. Scrivener:** It may very well take about one or two weeks in terms of man-hours to research and pull out your information. This places a very considerable strain upon our staff at a time when we are in a position of constraint and reduction of staff. It is fairly costly in terms of the extra burden that we bear.

**Mr. McClellan:** I understand that as well, Madam Minister. I simply wanted from you the assurance that I have received, that you are indeed working on the question.

**Hon. Mrs. Scrivener:** We aren't right at the moment. We have been too busy with the estimates.



**Mr. McClellan:** But you will, yes.

**Mr. Chairman:** Thank you, Mr. McClellan. Mrs. Campbell.

**Mrs. Campbell:** Yes, Mr. Chairman, I would like to carry on some of the discussion which Mr. McClellan has initiated. I felt that in fairness to this minister I should say that much of what's happened happened under another minister. For that reason I recognize that she is the residual beneficiary of a policy which was not initiated by her.

However, there are two points which do concern me. I am puzzled by her negative reply to the fact that the matter of successor rights was very much a public issue at the time of that news conference. Since I don't recall that she was there and since both you and I were, I have to say that I am in entire agreement with what Mr. McClellan has said. I was present and it was very much a part of the discussion at that time.

**Hon. Mrs. Scrivener:** I stand corrected.

**Mrs. Campbell:** I would hope that my question to the Minister of Labour (B. Stephenson) in the House will at some time receive an answer, because I did put to her this whole question of the contracting out and the kinds of what I call discrimination. That may not be the correct word in the eyes of the minister but to me this is very much to the fore.

First of all it would seem to me that unless the government again is in the position of trying to clobber those who are least able to defend themselves that it would be apparent that the rates would be the same for those in the contract service as for those in the government service, provided that the jobs are similar. The minister has said that they are not similar. I would like clarification of that because I am speaking about cleaning jobs which are not contracted out as against cleaning jobs which are. If there's a difference, I would like to know it.

**Hon. Mrs. Scrivener:** We are talking about cleaning and we are talking about building maintenance.

**Mrs. Campbell:** Yes.

**Hon. Mrs. Scrivener:** Our direct governmental staff is very limited at this time. It is simply a staff which has reduced itself through attrition. I suspect, and it's my very strong impression, that we as an employer are somewhat more demanding and intense in our approaches. Principally it is this building which is being maintained by direct government staff

and so the cleaners that are in this building are being required to meet a higher direct level of productivity than might be the case by their counterparts who are employed with those who have our cleaning contracts in other buildings.

**Mrs. Campbell:** I, of course, can't question—

**Hon. Mrs. Scrivener:** Clean is clean but I think in certain buildings the standards are not directly those of this building. We here are subjected to very heavy traffic, to delegations, to flurries of snow in the front and in our halls, and when I say snow, I mean paper and litter and so on. I think that we perhaps are more demanding of our staff and there is a slightly different relationship.

[8:30]

**Mrs. Campbell:** The other thing that bothers me somewhat—the minister may recall the other night, whenever it was, when we were discussing the pride of the minister in the approach to the women in her ministry, when I touched on this particular situation and asked her if a different philosophy prevailed, her answer was yes.

Does that mean that the minister condones the fact that the women under the contracted services have, indeed, had their hours reduced so that their take-home pay is virtually what it was before? I find the hourly rate itself to be really unreal. But when you take the hourly rate and reduce the hours, the effect of that is virtually to reduce their take-home pay to much less than the hourly rate.

The other question that bothers me is that when there were discussions about the discrimination against women in this particular work force, in the first instance the statement was made that the women did not have the seniority that the men did. However, in the Labour Ministry's own report they reported a woman who had, in fact, seniority. She had been on heavy duty work, and was reduced to the light cleaning. It does seem to me, Mr. Chairman, that a government has to be very zealous in protecting against this kind of thing, and particularly with a minister who so prides herself on equal opportunities for women, and some equality, I presume, even in this area.

I would invite her comment on that as well and ask her if she has had any discussion—and, of course, I recognize that she need not answer. But if she chooses to answer, has she had any discussion with the Minister of Labour about these specific situations with these women?



**Hon. Mrs. Scrivener:** Mr. Chairman, I would be pleased to reply to the member. It is perfectly true that I do take considerable pride in the fact that there are equal opportunities for women in the Ministry of Government Services. The whole philosophy has been advanced in the last year or so. This has definitely been due to the aggressiveness and very open and interested attitude of my predecessor and of our deputy, Mr. Thatcher. He made the appointment of Mrs. Taylor. As you know, she is our recruitment co-ordinator.

In her applying my remarks to the philosophies of the ministry, I think the member should remember that the women who are on contract are not my employees.

**Mrs. Campbell:** I'm aware of that.

**Hon. Mrs. Scrivener:** I'm sorry, I gathered she had a certain kind of confusion in terms of talking about the female employees in the Ministry of Government Services and those who are on contract as cleaning staff under our cleaning contracts in the various buildings that we maintain—and there is a very considerable difference in that. Certainly, the fact that a fair wage clause is now being developed and put into all of our tenders as the minimum standard to be met over and above minimum wages, I think is a very considerable advantage.

I would hope that when women undertake more particular cleaning responsibilities, that employers will see fit to change their rates as the need arises; and that clause is also provided for in our fair wage clause.

To go to her other query, yes, I have consulted on this matter in some depth with the Minister of Labour and with our two deputies to examine the validity of the complaints. What can be done, if anything is required to be done, and so on. Generally, what it seems to come down to is a difference in philosophy between two factions.

**Mrs. Campbell:** You mean the government and the contractor?

**Hon. Mrs. Scrivener:** No, between the government's approach to its maintenance and those who purport to speak for the cleaners.

**Mrs. Campbell:** That is interesting. I wonder if the minister would clarify it. Is she saying that there is a difference of philosophy and intimating that the government has a broader philosophy than the union representatives?

**Hon. Mrs. Scrivener:** No, it has been put to me on quite a number of occasions, and again this evening, that ideally the government should hire directly all the cleaners. Not only would this be a very unsatisfactory arrangement, it would also be an exceedingly costly arrangement; and the maintenance that would result would be very much less efficient than what we have at the present time.

**Mrs. Campbell:** I find that very difficult to accept. I would like to go back to the minister's statement that the demands of government on their directly employed employees was very much stricter than that of the contract employees. How can it be then, if everyone were on direct employment, that there would be greater inefficiency?

**Hon. Mrs. Scrivener:** Simply because the numbers of government employees are relatively small and there is a very much more personal relationship as a result.

**Mrs. Campbell:** I guess perhaps there is a basic difference in philosophy, but does the ministry not recognize the fact that it is surely the province of the government—of any government—to lead in the areas of both pay and conditions of employment? And if that is the case, why would the government tend to wash its hands, somewhat in a Pontius Pilate kind of way, if I may suggest it, and say that if it's a contracted service, not involving government employees, the government is helpless to ensure even equity?

**Hon. Mrs. Scrivener:** I'm sorry. You are putting words in my mouth that I never spoke.

**Mrs. Campbell:** I know you didn't use those words, but would you mind telling me why you have taken that position? You have pointed it out several times, and I don't really think I am unaware of the difference between employees who are direct employees and those acting under contract. Honestly, I don't think you need to explain it to me. But why do you make that difference if, in fact, it is not the same? Why don't you have responsibility for the working conditions and the pay of those whose contracts you have entered into?

**Hon. Mrs. Scrivener:** Oh, but we do.

**Mrs. Campbell:** Well, would you please show me in what way?

**Hon. Mrs. Scrivener:** Very simply, the Labour Relations Act and all the labour requirements in this province mean that we have set standards long since—



**Mrs. Campbell:** Yes, I'm aware of those standards.

**Hon. Mrs. Scrivener:** —which all have to be met. Surely it is obvious, with such a vast maintenance job to be done, that the cleaning, the standards, the supervision and the whole thing, is an immense undertaking at any time to organize it.

**Mrs. Campbell:** I'm sure it is.

**Hon. Mrs. Scrivener:** As you can see from the estimates, it's a very costly one and so I say to you that we are very conscious of our role. We have given leadership and will continue to give leadership. Most definitely changes have been made. There may be further changes to come. I would suggest to you that we are, apart from the basic difference in philosophy which most definitely appears to exist, we most definitely are able to maintain and to see that justice is being done in this regard.

**Mrs. Campbell:** So that justice is being done, you feel, as a result of your discussions with the Minister of Labour, in the case, for example, of this woman who has seniority and yet has been relegated to the light duties. Not only has she lost any effect of her seniority, she has lost the opportunity for the higher wage scale, and apparently nothing is being done about it. Could we hear about it?

**Hon. Mrs. Scrivener:** I have three instances that you might like to know about in terms of items that have been examined as a result of a complaint. The first is an equal pay for equal work complaint under the Employment Standards Act. On April 14 of this year, complaints were made on behalf of a certain one of Modern's female employees under the equal pay for equal work provision of the Employment Standards Act. Janitorial duties had been divided by Modern into two classifications, light and heavy duty, with the heavy duty cleaners receiving a higher rate of pay. Until December of 1974, it was alleged that women had done the light duty jobs and men had executed the heavy duty ones. In mid December of 1974, it was claimed that the employer assigned six women to the heavy duty work at the higher salary. On April 3, 1975, the employer removed the women from the heavy duty jobs, returning them to their former classifications at the lower pay rate, alleging that the women had not been performing their work adequately and that the government had complained about the quality of the cleaning work performed by them. When they say "government," actually you have to read "supervisor."

The matter was investigated by the employment standards branch and no violation of the Act was found. At the request of counsel for the complainants, the matter was reviewed by another employment standards officer, who reached the same conclusion.

However, the matter was appealed to the director of employment standards, who has consented to a reference of the dispute to an impartial referee under section 51(1) of the Employment Standards Act. No date has yet been set for the hearing.

The second item concerns itself with sex discrimination under the Ontario Human Rights Code. In April of 1975, complaints were filed with the Human Rights Commission alleging discrimination by Modern on the basis of sex. The factual basis for the complaints is the same as the complaints under the Employment Standards Act. The complaints were investigated by a human rights officer, who apparently reached the conclusion that there had been complaints about the quality of work performed by the complainants and that Modern's contract with the government was in jeopardy. It appears that Modern had decided to remove the inexperienced cleaners and hire experienced male cleaners at extra cost, to placate the government and to catch up on the backlog in heavy cleaning.

The complainants argued that they were discriminated against because they did not receive proper training. The company contended that there was no time to provide training in the face of the government's threat to terminate the contract.

[8:45]

The human rights complaint has been reviewed by the commission's counsel, who has expressed the opinion that the complaint is without foundation and that there is no need to appoint a board of inquiry:

The matter has been pursued by the complainant's counsel and the Human Rights Commission has undertaken to entertain her written submissions at its meeting on April 22.

I do not have the final result of that. The third item in the brief concerns complaints of unfair labour practices under the Labour Relations Act.

Two applications were filed with the Ontario Labour Relations Board by Service Employees' International Union Local 204 alleging unfair labour practices by Modern during the union organizing campaign. It was alleged that 11 grievors had been discharged for union activity and the union sought their



reinstatement with full compensation. In a companion application, the union sought consent of the board to prosecute the company and four of its managers for breaches of the Act based upon the firings.

The labour relations office assigned to the case negotiated a settlement providing for the reinstatement of five of the discharged employees. The complaints with respect to the others were withdrawn and the proceedings are now terminated.

**Mrs. Campbell:** I'm glad that the minister has some information. I was referred to one case and one case only. I'm not familiar with all of them but in the one case the initial statement was that the woman, in effect, had no seniority. In fact, that was corrected in the submission that indeed she had. She was not inexperienced and had more experience than the men. That was the case to which I had reference, and I was very much aware that the solicitor had the opportunity, because I think I was privy to making it possible for her, not only to make her submissions but to make them in the presence of the solicitor on the other side so that she would be privy to any statements he made.

I'm only pointing out that I feel the ministry itself, being the contractual agent, should have a greater concern because of that contractual obligation.

May I now turn to one other matter which appears to come under maintenance? I do wonder about priorities in this time of restraint. If I may, I'd like to discuss the 24-month contract for the care and feeding of \$19,000 worth of plants for the new Ministry of Transportation and Communications building on Highway 135 near London. To me, that is a very interesting thing. To buy the plants in the first place and then to have a two-year contract for the care and feeding thereof seems to me to indicate something of the government restraint priorities. At the same time, I would like to discuss what happened at London's new courthouse where it was supplied with greenery to the tune of \$14,614. I don't know from what greenhouses these came but I would be interested in that information too.

**Hon. Mrs. Scrivener:** Mr. Chairman, I think this is on the record.

**Mr. Chairman:** It has been suggested by the minister that this did come up under a previous vote.

**Mrs. Campbell:** It did come up? I'm sorry, I wasn't present. I have not read anything of that record. I will be happy to do so.

**Mr. Ruston:** Mr. Chairman, wasn't that just mentioned in the first vote and we intended to bring it up later?

**Mrs. Campbell:** That's what I understood.

**Hon. Mrs. Scrivener:** Mr. Davison raised it under accommodation and it was discussed.

**Mrs. Campbell:** The London courthouse as well? If Mr. Davison has the answers I'll be happy to get them.

**Mr. Davison:** I didn't get an answer.

**Mrs. Campbell:** That was my understanding. This is upkeep of accommodation maintenance, is it not?

**Hon. Mrs. Scrivener:** I think you were given quite an extended answer.

**Mr. Davison:** Actually, to be quite frank, we didn't get into the cost of the specific upkeep at a specific building. However, we were told that the costs—is this permissible, Mr. Chairman? I wouldn't want to be out of order.

**Mr. Chairman:** I believe you are out of order.

**Mrs. Campbell:** Could we continue without interruptions?

**Mr. Chairman:** I would just like to ask the minister if she would like to make any further brief comments on that.

**Mrs. Campbell:** May I ask first? Am I out of order? Does this not come under upkeep of accommodation programme?

**Mr. Drea:** You couldn't possibly be out of order.

**Mrs. Campbell:** Thank you. I will proceed.

**Mr. Chairman:** Mrs. Campbell, in answer to your question, after Mr. Drea's comments, I think this particular subject is certainly open to some debate as to whether it would come under upkeep.

**Mrs. Campbell:** Next year? They have thousands and thousands more.

**Mr. Chairman:** Order, please. So, Madam Minister, as I stated earlier, if you did have any comments, I think it would be in order.

**Mrs. Campbell:** May I complete my comments so that she can continue and give a full answer? Of the 218 plants at the new London courthouse, only 165 remain. The present building manager refuses to replace the lost ones, feeling it was a waste of money



to put real plants in high traffic areas anyway. The trees outside the courthouse apparently withered away, but were replaced at a cost of \$21,850. The cost of servicing them is \$1,500 a year. In fairness to the minister, she ought to have a complete question if she wishes to respond.

**Hon. Mrs. Scrivener:** When I discussed this matter—and I have to say in considerable depth—with Mr. Davison, I gave him figures for Metro and for this building and for the whole of the province. Although I have maintenance figures for Metro, I do not have maintenance figures for outside of Metro. I would think the maintenance figure for Metro would give you a guide though, since the total cost here is larger than for most of the province.

The maintenance and repair to trucks is \$545 a year. In our greenhouses we provide fertilizer and accessories to the extent of \$220. There is gasoline for all service requirements in relationship to the greenhouses at Mimico to the extent of \$575. I would suggest that if this is what we pay to maintain the plants for use in Metro and in these buildings, plant maintenance in London would be just a very small percentage of that. It is all on the record. I see a great deal of it. The only thing I do not have is the individual amount of maintenance in London.

**Mrs. Campbell:** Or in the Ministry of Transportation and Communications building near London?

**Hon. Mrs. Scrivener:** Yes. When I say London, I mean the two. I think they would be minuscule. As I say, there was a very detailed discussion and I read into the record all the figures for both Metro and for the province.

**Mrs. Campbell:** I just point out that so far as the London courthouse is concerned, the building manager said it was a waste of money.

**Hon. Mrs. Scrivener:** Obviously, he is not sympathetic and he doesn't have a green thumb and he doesn't understand how people feel about growing plants.

**Mrs. Campbell:** I don't think it has anything to do with a green thumb. I think it was a matter that you have contracted services and surely, they have—

**Hon. Mrs. Scrivener:** I think it is regrettable and it is something we will make notes on.

**Mrs. Campbell:** Thank you.

**Mr. Drea:** Before that answer is really completed, I wonder if perhaps the member for St. George might permit me a supplementary on the past record of the ministry which might shed some considerable light on this.

I wonder if I might be able to ask a question as to the qualifications of the people who select the particular type of landscaping that is done outdoors, in view of an abysmal record. And also in view of—while it's never been really determined—the terrific cost of some of the landscaping outside the Macdonald Block.

I just raise this under the point that the member for St. George has talked about, not only the indoor horticulture, but the trees outside the London courthouse. I just wonder if I might ask a supplementary on this, if the member for St. George wouldn't mind.

The particular question I want to ask is who makes the determination on the horticultural requirements of the landscaping? I'm not talking about the artistic qualifications.

**Hon. Mrs. Scrivener:** We do have a horticulturist.

**Mr. Drea:** Yes, I know. We've had many. I just want to raise this point concerning the outside of the Macdonald Block, particularly on Wellesley St. on the north side—and this goes back a few years.

First of all, we put in a number of trees. Even an amateur horticulturist could have said that the number of trees that were put in there were too dense for the area. I may say that these weren't shrubs, these were root-balled trees that are very expensive to put in. When we put those in, there were three successive sowings of perivinka or periwinkle, whatever you want to call it, as a ground cover because obviously the dense shade, and a number of factors wouldn't have permitted grass to be put in. There were three successive sowings.

Madam Minister, two years ago in the estimates for Government Services I questioned why we put that particular planting in there in the many hundreds—it is not a nickel and dime item. I was told that I didn't know what I was talking about. Since then there have been three successive sowings. These aren't sowings by seeds; these are all plants—and they are expensive. Since that time approximately one-third of the trees have been removed. They have been placed in other areas, at no loss. They've been placed in other areas around the buildings. I just seriously wonder when even an amateur can say, "Look, that particular type of thing in that dimension won't grow."



**Hon. Mrs. Scrivener:** Yes, I understand what you're discussing. We have a horticulturist who has been with us for four years, but in terms of the original plantation at the Macdonald Block, of course, he inherited that. His desire to make things grow in that location perhaps exceeds his ability in terms of the hazards along Wellesley St.—with the excessive pollution and many other hazards. It may well be that is something that should be abandoned. He has had considerable success in other quarters. If the trees are dying, or whatever—

**Mr. Drea:** No, the trees are fine.

**Hon. Mrs. Scrivener:** Some of them have had to be removed. But in any case, if there have been some problems it is simply that he is trying to deal with a plantation that he inherited, not one which was of his own creation.

**Mr. Drea:** All right. This leads up to the real question. I do not fault the horticulturist. I do not fault the gardeners. I do not fault all the people who did everything possible to make sure that that plantation worked. The real point is when the landscape architect brings in the planting plan, this really is where someone says, "No, it can't possibly work." The north side of the Macdonald Block is an obvious case. It is as if we had retained a landscape architect who said, "Put in orange trees." What we should have said at that point is, "Well, they won't grow." I suppose it doesn't make headlines but there are a great number of amateur gardeners across the city and across the province. They do tend to walk along Wellesley St. and if they see something that they know is wrong, they kind of look down upon us. I realize this is before you began to exercise jurisdiction over the ministry but I wonder how these things are allowed to happen.

[9:00]

**Hon. Mrs. Scrivener:** I can tell you one success. Our crocuses were out ahead of everybody else's.

**Mrs. Campbell:** Except mine.

**Mr. Drea:** Madam Minister, your crocuses have to be out ahead of everybody else's because you are in downtown Toronto. You are 3½ weeks ahead of anybody else.

**Hon. Mrs. Scrivener:** They cheat. They've got all that extra heat.

**Mrs. Campbell:** What I was really getting at is that the amount—\$30,000 for 24-month

contract for the care and feeding of plants; the replacing of trees which withered, presumably because of the same traffic conditions, at \$21,850—is not going to shatter the financial ability of the province. What I ask is if this kind of waste is allowed, how does it relate to our restraint programmes when we add them up and recognize that in some areas municipalities are having to cut off essential services to people because of restraints? I think it is a valid question. And I love plants.

**Hon. Mrs. Scrivener:** I am wondering where the member obtained her figures, because we are not familiar with these figures.

**Mrs. Campbell:** The figures given as far as the 429 interior horticultural plants are concerned came out of the ministry to my certain knowledge. I cannot vouch for the statements relating to the London courthouse.

**Hon. Mrs. Scrivener:** Are you saying we published figures?

**Mrs. Campbell:** No. I am saying they were determined—I know the first one was since it's our research—and to the best of my knowledge they obtained the figures the same way. The figures on the first item were widely published because people in the area were dumbfounded to find they would have an outlay of \$19,000 for the purchase of plants for the new Ministry of Transportation and Communications building.

**Hon. Mrs. Scrivener:** That figure is incorrect.

**Mrs. Campbell:** What is the correct figure? May I have it? May I have the correct figure?

**Mr. Davison:** The correct figure is \$10,061.70.

**Mr. Chairman:** Order, please, I believe the question was asked of—

**Mrs. Campbell:** Of the minister.

**Mr. Angus:** Your role of official opposition goes to your head. As a matter of fact, I believe it came out of Bell's column in the London Free Press.

**Mrs. Campbell:** But it was confirmed? You had confirmed the \$19,000 figure?

**Hon. Mrs. Scrivener:** The figure paid for maintenance was \$10,061.76.

**Mrs. Campbell:** The figure that came out of the 13 tenders, according to our information, was \$30,000 for a 24-month contract.



**Hon. Mrs. Scrivener:** I am sorry; that use of the word is incorrect. This is for a contract for the maintenance and installation of those plants, \$10,061.76.

**Mrs. Campbell:** Are you saying that is your two-year contract or your one-year contract? The tender was for a 24-month contract. You are saying now that the figures we received or at least had verified from the ministry are not correct?

**Hon. Mrs. Scrivener:** I don't know who sent you the—

**Mrs. Campbell:** I can't answer to who did it. I can only say that the attempt to verify was made. I will get back to find out who gave us the information.

**Mr. Davison:** I thought that we had this cleared up on May 6 because we had a very lengthy discussion about it.

**Hon. Mrs. Scrivener:** Yes.

**Mr. Davison:** I am glad you do agree. Is this still right? You said: "Yes, the cost for interior—yes, that is the total cost—it's \$71,968 and that includes the planting, the growing, the fertilizer, the gasoline, the salaries, blank, "the works." This is uncorrected so the blank I suppose was something. That is correct, that statement?

**Hon. Mrs. Scrivener:** This is the 1975 calendar year? Right? And those figures I gave you—

**Mr. Davison:** And that includes the maintenance for the entire province, the cost of all the new plants?

**Hon. Mrs. Scrivener:** Yes.

**Mr. Davison:** And this \$10,000—

**Hon. Mrs. Scrivener:** The seedlings, the bulbs, the—

**Mr. Davison:** The \$10,061.76 was included but that didn't include the original purchase price of the plants?

**Hon. Mrs. Scrivener:** In that particular instance; that contract is included in this figure.

**Mr. Davison:** In the \$10,000 figure, does that include the original cost as well as the maintenance?

**Hon. Mrs. Scrivener:** Yes.

**Mrs. Campbell:** And this figure, \$70,000, does include the \$21,850 to replace the trees outside the courthouse in London? Or is it that you don't have those figures?

**Hon. Mrs. Scrivener:** I wouldn't put the trees with the plants.

**Mrs. Campbell:** Oh?

**Hon. Mrs. Scrivener:** That would come under landscaping and that would come under capital construction costs attaching to that building. That would be a separate figure entirely and that is why I say: Where did you get that figure? Because it doesn't relate to anything that we have in maintenance.

**Mrs. Campbell:** All I can tell you is that we got it from someone in your ministry. I will have to find out who that person was. We don't have the name here.

**Mr. Chairman:** Shall item 2 carry?

**Mr. Davison:** Not yet. I have been watching the newspapers concerning the oddities that have arisen out of the cleaning contracts and the possibilities of patronage in another level of government\*which will go unnamed. I am wondering in respect to that, and in respect to the fact that vending machine companies have been coupled with organized crime and the laundering of money, does your ministry run a check, or any kind of an investigation on the companies that you give contracts to?

**Hon. Mrs. Scrivener:** I will ask Mr. Thatcher to respond.

**Mr. Thatcher:** Yes. We have become aware of the need to do that. We have now instituted a check on the owners of the companies bidding on the cleaning contracts. We formally check the names of the registered officials of the company which would be on file. But we are now having a form completed at the time the tender is submitted so that we can be sure that we really know who we are doing business with. Recently we found that some of the same principals have more than one company and there are some things like that that we would like to know more about.

**Mr. Davison:** In that sense, are you operating in connection with the Ministry of Consumer and Commercial Relations and the Attorney General's department?

**Mr. Thatcher:** We have been with CCR simply to get the registered officials of the company. But we are now having a questionnaire completed by the bidders that gives us additional information as to the beneficial owners and whether the company is owned in Canada by Canadian nationals, and things



of that sort that give us a little further understanding.

**Mr. Davison:** When did you start this process?

**Mr. Thatcher:** Just a few months ago.

**Mr. Davison:** Before you instituted this new method, was any method at all used?

**Mr. Thatcher:** Only that we would check on who the officials of the company were. That was really all and we were relying to some extent on the company's ability to be bonded.

**Mr. Davison:** There is one thing I want you to make perfectly clear with reference to the vending machine operation contracts. Are the names that you're getting being compared against names of known figures in the criminal world?

**Mr. Thatcher:** No, I was referring to the contracts for janitorial work. The vending machines are usually tendered with the catering concessions and I don't think we've put any out using this new form. But we will be using the same form for catering and the vending machine concessions. If you think it worthwhile, we'll be glad to compare the names that are submitted with the bids to see if we find any connections.

**Mr. Davison:** I think it would be wise. One other question; how does the Minister of Energy (Mr. Timbrell) view the situation with the lights in the legislative building that you're responsible for?

**Hon. Mrs. Scrivener:** I think he should be very pleased.

**Mr. Davison:** He should be?

**Hon. Mrs. Scrivener:** Yes, he should. We've reduced our energy consumption in the last couple of years or since about 1973 by about a third. We have a system now that when the buildings are being cleaned—

**Mr. Davison:** I'm sorry to interrupt. I was talking about the legislative building.

**Hon. Mrs. Scrivener:** What about it?

**Mr. Davison:** I'm not talking about Government Services in general.

**Hon. Mrs. Scrivener:** Why is it different from other buildings?

**Mr. Davison:** I realize that it's in the nature of government to centralize, but I

think perhaps it was carried too far when light switches were centralized and members are left in a position where there is no way for them to turn off the lights in their office.

**Hon. Mrs. Scrivener:** It also has to do with the wiring in this building which is somewhat more than a little archaic and which will be very costly to change. As we can and as we have renovation going on, then we change or make it more up to date. We haven't completed the building by any means.

**Mr. Davison:** You renovated the north wing a few years ago and in the north wing we still don't have individual light switches. Will we have to wait until it's renovated again?

**Hon. Mrs. Scrivener:** No, that is to be changed over.

**Mr. Davison:** In spite of the cost, you will get us light switches.

**Hon. Mrs. Scrivener:** Yes.

**Mr. Davison:** And the Minister of Energy then can be happy.

**Hon. Mrs. Scrivener:** Actually, I think the Minister of Energy should be very happy with the steps that we have taken. We've been exceedingly aggressive in terms of the control of energy consumption. We have reduced our energy consumption in government buildings by about one-third. We have it systematized to the point where when cleaning is ongoing the supervisors turn out the lights as floors or parts of floors are completed. You can look at any building between 9 and 11 o'clock at night and see areas of black and know that that part is finished and they are still working on the rest of it.

**Mr. Davison:** I didn't ask you about that, but I like your style and the way you got that plug in there. Congratulations.

**Hon. Mrs. Scrivener:** I should tell you also what we did about Christmas tree lights.

**Mr. Davison:** No, that's all right.

**Hon. Mrs. Scrivener:** We—

**Mr. Davison:** Mr. Chairman, surely the minister cannot ask herself questions.

**Hon. Mrs. Scrivener:** I thought you should be made aware. All these things have to be carefully thought out by somebody and somebody has to initiate it.

Vote 803 agreed to.

On vote 804:



**Mr. Chairman:** Vote 804 is a fairly wide-ranging vote and I think we should try to keep within item by item. I'll call item 1, programme administration for supply and services programme.

[9:15]

**Mr. Davison:** I'm curious about the figure for services in this budget. In the provision of accommodation programmes, programme administration service, the services expenditure expressed as a percentage of the total is 14 per cent. In the upkeep of accommodation programme, programme administration, it's 2.8 per cent. In the management and information services programme, programme administration, it is 8.8 per cent. In supply and services programme administration, it is 45.5 per cent. Is that another one of the centralized deals like the Workmen's Compensation in the main office or is it something else?

**Hon. Mrs. Scrivener:** I would like to present to you Mr. Strauss, who is our assistant deputy minister for supply and services. If you are ready, Mr. Strauss, I would like you to comment on that.

**Mr. Strauss:** Yes, thank you. The programme administration item under this vote represents my own office and the offices of my two executive directors, each of whom is in charge of a division. In my own office, there is an amount mainly for consultant services for studies we will have to do in any part of the programme. In the office of the executive director of marketing services there is another substantial services item for work we expect to buy from our sister division primarily—namely the management information systems group—to do studies for us in the area of market services. Since both of these executive offices are under that item, you will find a substantial amount for consultant services in that area.

**Mr. Davison:** So it is so large because you have consultant services?

**Mr. Strauss:** We are buying or plan to buy consultant services from other sources in the government or from outside consultants theoretically to assist us in doing the work that these two divisions, which cover supply and services, are expected to do on a government-wide basis. Do you want me to give you further details on that?

**Mr. Davison:** Who are you buying the services from?

**Mr. Strauss:** The management information services division, the sister division of my own in the ministry, has a consulting services

division. It provides management consultants in a large variety of areas including data processing and other manual systems and we rely on their assistance. Since they are on a complete charge-back basis and have to recover their costs fully we have got to pay for it.

**Mr. Davison:** Okay. They are recovering a cost of almost \$1 million so yours is only one small part of it, right?

**Mr. Strauss:** Yes.

**Mrs. Campbell:** I would like to ask, under this particular item, the philosophy of the ministry insofar as services are concerned. Of course, I recognize that later in this vote we have specific items of legislative services.

I would think that the administration must have a philosophy of just what is required by way of service to the people particularly the people functioning in this building. I find, and I think it is probably almost a unanimous feeling among those studying this whole programme, that the thrust in this area, in this province, is very different from that, if I may, at the federal level. What is the philosophy of this ministry as regards the people such as the elected representatives for whom, under this vote, you provide services?

**Hon. Mrs. Scrivener:** Actually, the services we provide to members come under item 8.

**Mrs. Campbell:** I am aware of that but I would think that if you have a programme administration, which is an overall area of this vote, there must be some reflection there of your attitude to the services for people who are here as elected representatives. I am perfectly prepared to get into the mitty-gritty of the legislative services when we get to it.

**Hon. Mrs. Scrivener:** I can't do more than reiterate what I said to you, in effect, at some greater length during the session I had with the select committee on the Camp commission report, and it is the philosophy in terms of supply services and support services to members that it is really our goal to provide effective and efficient support services of all facilities to members to assist them in their work.

**Mrs. Campbell:** I suppose that there are other reasons then for those of us in the opposition to come to the conclusion that perhaps there is a difference in the philosophy as far as it is reflected in the services to government members, from that in respect to the opposition members. Is there a difference



in philosophy, or is it simply that one cannot find ways and means to equalize the service?

**Hon. Mrs. Scrivener:** It is one rule for all, as far as I know. I think Mr. Laws, who is the director of legislative services in this building, is exceedingly fair in his administration of the building and goes to great lengths to assist the members. He's what they call a soft touch.

**Mrs. Campbell:** I did mention the fact, in the case of Mr. Laws himself, that when the select committee requested information from him with reference to this building, prior to taking a tour of the building which was within the Camp commission purview, he was unable to give us that information because he had a directive, he said, from the minister that no information could be given to the committee without her direct approval. We could not get that information until about the time we were doing the tour, when, in fact, it would have been most helpful if we could have had it prior to the tour taking place.

**Hon. Mrs. Scrivener:** I think the information that Mr. Laws gave you has been misinterpreted, inasmuch as both Mr. Laws and the committee chairman spoke to me directly about obtaining the plans of the building. Since the plans that we had at that time pre-dated 1971, I said not to give these plans to the committee until we drew new plans which were accurate and up to date. That was my only refusal, and I think in very short order you had new plans presented to you with all the changes in the building in the last four to five years, all in place, so that you knew exactly where everything was. The old plans weren't worth looking at unless you knew the building intimately.

**Mrs. Campbell:** I can only say I was there with Mr. Cassidy, and I think he will confirm that that was the information given, and that the plans were available but that he had to have permission to get them. However, it was just an example—

**Hon. Mrs. Scrivener:** As a matter of fact, at that time we didn't have plans such as the committee received. What we had were coloured sheets of cardboard which were very limited. I had a set. Mr. Laws had a set. I think Mr. Thatcher had a set. I think there may have been one working set and that's all, and these were thick cardboard. These were not true drawings of the building.

**Mrs. Campbell:** So that somebody then, I take it—and I regret the necessity—must have worked all night—

**Hon. Mrs. Scrivener:** They worked very hard.

**Mrs. Campbell:** —to get those to us the next day during the tour. We had the black-and-whites, but we didn't have the colour-coded ones until later. You say that the intent at least, and the philosophy, is that each elected representative—and I am not including cabinet, of course—should be dealt with in the same way. Thank you. I will reserve anything else until a later vote.

**Mr. Chairman:** Shall item 1 carry? Carried.

Item 2, supply administration. Mr. Davison.

**Mr. Davison:** Yes, I'd like to have some sort of a very, very general breakdown of your almost \$11 million of purchases in 1974-1975. There were 9,113 purchase orders. Can we just have a general breakdown of what you were buying?

**Mr. Strauss:** We buy primarily for the ministry and we act as purchasing agent in negotiating what we call collective purchasing agreements to which other ministries have access. So the transactions that go through our own books primarily are for the Ministry of Government Services purchasing furniture and other items that are required in the construction programme.

**Mr. Davison:** The \$10 million to \$11 million—is that then spent primarily for the Ministry of Government Services?

**Mr. Strauss:** To make sure I'm answering you on the right figure, which years are you talking about?

**Mr. Davison:** In 1974-1975, according to the annual report, at least at March 31—the exact phrase is on page 12 at the bottom of the page, the last paragraph under supply administration branch. "During the year this section handled 9,113 purchase orders, representing a total value of \$10,839,000."

**Mr. Strauss:** They were largely Ministry of Government Services purchases, but not exclusively.

**Mr. Davison:** Okay. I can understand that. The general breakdown of it—what did you buy? Was it mainly furniture and furnishings?

**Mr. Strauss:** Perhaps Mr. Tobias can help us with the breakdown. He is the director of the branch who would have the statistics there.



**Mr. Davison:** I don't want to put you to the trouble to get the details. I just want a general idea.

**Hon. Mrs. Scrivener:** Could I give you an example that might interest you and, I think, would make you feel pleased about it.

In the year 1975-1976—I'm talking about the savings. It's your money and mine that we're saving. I'm talking about a saving that we were able to effect under our collective purchasing. In terms of furniture and furnishings, before if purchased without a collective purchasing agreement, they would have cost \$1,908,912. With the agreement it cost \$1,249,718, for a saving of \$659,194.

**Mr. Davison:** Okay. Now I think I'm starting to get what I want.

**Hon. Mrs. Scrivener:** Can I give you some more?

**Mr. Davison:** Okay.

**Hon. Mrs. Scrivener:** Just let me give you a couple more. Special products—this is a great raft of things: Before CPA, \$3,896,101; with the benefit of a collective purchasing agreement, \$3,507,350—for a saving of \$388,751. Another mass group—office products: Without benefit of CPA, \$13,683,680; with the benefit of a CPA, \$10,351,174—are you keeping up?

**Mr. Davison:** No, no. You're going to give it to us anyway.

**Hon. Mrs. Scrivener:** And a saving of \$3,332,506. If you add each of those costs up you will find that if we had purchased those items without benefit of a CPA the total would have been \$19,488,693, but with benefit of a CPA, the actual price we paid was \$15,108,242. So the savings, jointly, on all of those items was \$4,380,451. Do you call that a success story? I do.

**Mr. Davison:** It's not bad. It's a hard act to follow. That was really something. You were able to answer three questions before I asked them. But you didn't answer the question I was asking.

**Hon. Mrs. Scrivener:** Sorry.

**Mr. Davison:** That's all right. You could get a job with The Amazing Kreskin. Actually I think you may have answered partially the question I am trying to get at right now. Furniture, special products, office products—those are all parts of the classifications that come into this area of 9,113 purchase orders. So with the figures you gave me just now,

I can sort of use those three categories to get an idea of the breakdown. Is that right? Okay, fair enough. That actually is all I wanted.

The figures you just gave me are very impressive, and I would like to know if this branch now is operating as purchasing agent for all ministries and all agencies of the government.

**Hon. Mrs. Scrivener:** Yes, they come in on these joint purchasing agreements on a voluntary basis. This is a voluntary thing done. It is not a mandatory thing.

**Mr. Davison:** That is not quite the answer. I take it, therefore, it is not all the ministries and all agencies.

**Hon. Mrs. Scrivener:** I think it is mandatory for furnishings, most definitely. But for many other things, it is not. But as they all find out how effective we can be, they come in of their own volition because—

**Mr. Davison:** I would like to know why all these other ministries and agencies are wasting the taxpayers' dollars by not being under your programme. I think that you should get in touch with them very quickly, and force them into spending their money in this manner.

**Hon. Mrs. Scrivener:** But you see their conviction would be so much greater if they make their decision themselves.

**Mr. Davison:** Yes, but it is a question of savings.

**Hon. Mrs. Scrivener:** I agree with you.

**Mr. Davison:** Okay, I take it that the little dialogue we just had means that in the near future we can expect that all agencies and ministries will be dealing in this manner to the benefit of the taxpayer.

**Hon. Mrs. Scrivener:** I would like to think it will be so.

**Mr. Davison:** Do you have any particular holdouts, because I noticed before, in our conversations about some questions, that certain agencies are fairly hesitant about getting into these deals, like for example, LCBO and Hydro. Have they been giving you a hard time again in this one? Or are they good citizens, as such?

**Hon. Mrs. Scrivener:** Nobody gives us a hard time. But you have to understand that certain ministries and certain agencies have some specialized needs.



**Mr. Davison:** Obviously, I wouldn't expect you to—

**Hon. Mrs. Scrivener:** With our very broad purchasing, we aren't always able to suit every agency or ministry.

**Mr. Thatcher:** And then too, Mr. Davison, there are some differences in the way these quasi-governmental organizations are established. They have their own statutes and they are required to keep their accounts in a certain fashion according to their statute.

To answer you in summary fashion, we are extending this benefit of centralized purchasing to all of those ministries and agencies that are financed from the consolidated revenue fund. In some cases their locations in decentralized operations don't warrant coming into the plan, but rather indicate some decentralized purchasing, which seems to us to be very reasonable. But with those general exceptions, I think that most of the ministries and agencies are using our system for various parts of their needs.

**Mr. Davison:** And all the ministries and agencies are aware of it?

**Mr. Thatcher:** I think so. We do some selling. We have someone go around to acquaint them with our services.

**Mr. Davison:** I have noticed a few times in these estimates that you are doing something better than anybody else. I just want to make sure that at those times you make sure that the other people do know about it.

**Hon. Mrs. Scrivener:** That is a mark of our ministry.

**Mr. Davison:** I only compliment you once or twice.

**Hon. Mrs. Scrivener:** Per meeting.

**Mr. Davison:** Yes. I don't want to get carried away.

Now the supply standards section. You have the vendors and commodity information system for internal use. I'm not exactly sure on what this could be, the language is pretty vague. Could you explain that to me?

**Hon. Mrs. Scrivener:** Could you do that, Mr. Strauss, please?

**Mr. Strauss:** I think so. It's internal use inside the government. In other words, we don't compile information which is available to the general public, so internal is inside the government.

**Mr. Davison:** So you're only taking in information. You're not acting on it?

**Mr. Strauss:** We are not acting. We are compiling the information for a use by government departments and agencies. That's internal. We try to develop data on vendors so that when we get an inquiry about a vendor, either for our own use or from other ministries, we can lead them to the information that may be helpful to them.

**Mr. Davison:** Is it completely incorrect and unjust to think that there is any sort of opinion given in regards to certain vendors from this group, from the knowledge that they gain?

**Mr. Thatcher:** No. It's really supporting the public tendering system, Mr. Davison. In order to put out public tenders you have to describe exactly what you want. You have to develop standards and this is primarily what this group is doing. Their vendor list is simply those people who are interested in doing business with the government and who would expect to be involved in the tendering process.

**Mr. Davison:** So in this section you just gather the information and you make no recommendations on it.

**Mr. Thatcher:** That's right.

**Mr. Davison:** One last question concerning the public tenders office. Do all ministries and agencies use this?

**Mr. Thatcher:** No. It's available to those who wish to use it, and I could give you an example of this by saying that the Ministry of Transportation and Communications does a lot of tendering for highway contracts. They have a very good tendering office in Downsview, so they don't use our downtown facility. For those smaller ministries who couldn't support a tendering office of their own, ours is available and is used on an as-required basis. We use it, of course, for every one of our tenders.

**Mr. Davison:** Would I be right in assuming that the Liquor Control Board of Ontario and Ontario Hydro do not make use of the public tenders office?

**Mr. Thatcher:** You would be correct.

**Mr. Davison:** Has the ministry talked to officials of Ontario Hydro and LCBO about the possibility of them coming into this?

**Mr. Thatcher:** I don't think so.

**Mr. Strauss:** But I imagine Hydro has a very effective tendering operation of its own, being very much in the same boat as MTC.



**Mr. Davison:** This is something that came up before in a different section. It's always the same people, the same groups, the same ministries, the same agencies, that reappear continually as not using the services of your ministry. It seems to be MTC, Ontario Hydro, Liquor Control Board. When it came up previously in one of the other votes you did suggest that you would contact them further and in the future about the possibility of accommodation.

**Hon. Mrs. Scrivener:** I was just saying in an aside to the deputy minister that I don't know what would be gained by centralizing the tendering for Hydro and the LCBO in our office. I don't know what the advantage would be to Hydro.

**Mr. Davison:** The advantage would be to the taxpayers of the province. When we just went through these other figures, you showed that if we had purchased in one way we would be spending \$19 million and if we purchased in a collective manner we would be saving \$15 million. So it would seem that you have proven, in your ministry, that working collectively is cheaper. Is that not true?

**Hon. Mrs. Scrivener:** Yes.

**Mr. Davison:** So if it's cheaper in one sense, it has to be cheaper in another sense. There are one of two possibilities: Either working collectively is cheaper or it's not. It can't be cheaper sometimes under some circumstances and not—

**Hon. Mrs. Scrivener:** Part of your argument has to do with volume, and let me ask Mr. Thatcher to comment.

**Mr. Thatcher:** Yes, there are limits. It's not a uniform thing that so much is good and a lot must be better. To take Ontario Hydro, for example, the nature of their purchases is often different from the things that we do. We like to do the things that most ministries need. We are very big on office stationery, for example. We are able to achieve very considerable economies by providing office stationery through a centralized operation.

Ontario Hydro, for example, buy turbine generator sets on the international market to their own designs and there isn't any way that we could use our tendering office to improve the prices they would get for that sort of equipment. They buy a lot of other electrical equipment that we are not expert in and which we wouldn't be handling for more than one customer, and that would be Ontario Hydro. It wouldn't be advantageous for us to do that.

There are also some areas where centralization and high volumes reach a finite limit of gain, too. We are finding that in some areas, if there are very few suppliers who ordinarily have been sharing the total government needs, and we concentrate it and put it all with one, as a result of a public tendering process, that one may have considerable difficulty in handling our volume while the other three or four who are his competitors are on the point of going bankrupt because they have no work. We are finding that in some specific areas, so we have to back off from total centralization of the government's needs in order to maintain some sort of competition in the market.

**Mr. Davison:** I am not as familiar with turbine generators as I am, say, with land. When we talked about acquisition the point was raised by the minister and her staff that the reason MTC and Hydro didn't come under the acquisition programme was that to a large extent they were purchasing land for rights of way or in other words they were purchasing land in long strips. It seemed fairly clear to me at the time that when they purchased land for accommodation either from MTC or Hydro or a Liquor Control Board or anyone else it should have come under your acquisition programme.

If you did remove the acquisition of rights of way from MTC and from Hydro, instead of having one consolidation under the Ministry of Government Services which dealt with the provision of accommodation acquisition; a separate group for MTC which dealt with right of way acquisition and purchase for accommodation; a separate group under Ontario Hydro which dealt with right of way, various other things, and provision of accommodation; and LCBO, which dealt with the provision of accommodation, you would consolidate.

First of all, you would save in having all of the provision of accommodation purchases together; correct? You would also save because instead of having two separate groups of people dealing with rights of way you would have one group. I realize when you get down to something so finite as turbine generators—I admit I am not familiar with them but I don't think Ontario Hydro's purchases exclusively deal with that. They buy furniture—they buy ordinary things also.

So either the argument to purchase collectively is true or it is not and to argue that we shouldn't purchase collectively because some few specific things like generating equipment and electrical equipment require specialization—specialization can well be done



within a collective group. Do you see my argument there?

It seems to me that if the experience is that working collectively will save the taxpayers a lot of money, millions of dollars, then it should be done. That's fairly obvious to me. I think it is fairly reasonable and I suggest that in the ministry you look and you work toward a time when you will bring all of the purchases under one central purchasing group.

[9:45]

**Mr. Thatcher:** Really I should say in dealing with the matter of overall responsibility for certain functions the Minister of Government Services does not have the power to take from Hydro its purchasing functions.

**Mr. Davison:** Correct.

**Mr. Thatcher:** While your comments may very well have much merit, I think you'll have to address them to places other than to us. We are certainly prepared to look at this to analyse which benefits would accrue and which might not. There would be some cases where it would be advantageous perhaps to centralize and some where it would not. I use the turbine generators only as an example to show you that it is not a complete advantage because there would be certain other disadvantages. We would be certainly pleased to analyse these but the final decision to take over all of these purchases from other agencies established by other statutes is a little beyond this ministry's powers to accomplish.

**Mr. Davison:** Actually, I have the sense we've said all of this before from my side and from your side. However, I would conclude by saying that the minister is a very persuasive person. I'm sure if she would intercede in such a way she would meet with a great deal of success. I wish you the best of luck in it.

**Mrs. Campbell:** I too would like to add my congratulations. I am indeed pleased that we have gone to the central purchasing. I think you follow the city of Toronto in that direction, so I have to feel very proud of it.

There is one area that is somewhat of concern to me, however, and that is the purchase of furnishings. You have standardized and I think basically that's a very sound thing to do. The minister has said that this is mandatory. I take it that it's mandatory for government departments and not all government agencies. The one thing that can happen in standardization is that perhaps sometimes one doesn't look at the needs of

the person for whom one is supplying furnishings.

I wonder if there is any ongoing look at this kind of situation, having in mind the economies which are very real and very commendable. There are cases which have been brought to my attention—not in the legislative services that we come to, but in other areas—where actually if the people who were to use the furnishings had been in any way consulted their requirements would indeed have been different.

**Hon. Mrs. Scrivener:** What I think you lose always when you are trying to standardize an item is the personalization—the right of choice, the difference in the handle or the door knob or whatever.

**Mrs. Campbell:** No, that isn't my point.

**Mr. McCague:** You are referring to chesterfields.

**Mrs. Campbell:** No, I'm not even referring to that, although standardization doesn't apply to cabinet lounges, I take it.

**Hon. Mrs. Scrivener:** I would think the final decision on the type of furnishing which was ultimately selected, and this was prior to 1971, was done only after a very considerable consultation by our purchasing agents. We are dealing, after all, in the main with office furniture.

**Mrs. Campbell:** Yes, I'm aware of that. As an example of non-standardization, I draw to the minister's attention the very lovely ministers' lounge which has been furnished with equipment that is not provided to anyone else.

**Hon. Mrs. Scrivener:** All the desks and chairs are most definitely right out of stock.

**Mrs. Campbell:** And the chesterfields?

**Hon. Mrs. Scrivener:** I don't know that you standardize chesterfields. But certainly the desks, the chairs, the credenzas and the tables are straight out of stock.

**Mrs. Campbell:** But not the chesterfields.

**Hon. Mrs. Scrivener:** A chesterfield is a chesterfield.

**Mrs. Campbell:** But it isn't standard equipment for furnishings.

**Hon. Mrs. Scrivener:** Standard equipment—a chesterfield?

**Mr. Strauss:** There's only one cabinet lounge; I don't know what else you would standardize it for.



**Hon. Mrs. Scrivener:** This is a working group. It has X-number of desks and chairs—

**Mrs. Campbell:** Yes, we saw it.

**Hon. Mrs. Scrivener:** —in sort of arrangements. But those are all standard pieces straight out of stock.

**Mrs. Campbell:** I won't labour the point, except that it is interesting there are chesterfields, and there are not chesterfields provided as a standard item for working spaces in other areas.

**Hon. Mrs. Scrivener:** As far as I know, when any particular office is entitled to a chesterfield as a perk within that office, it isn't a case of standardization of the chesterfield so much as it is the limitations on the budget for the acquisition of the thing. That is to say, you buy a three-seat chesterfield and the covering has to be within certain limitations.

**Mrs. Campbell:** Now that's an interesting question. What offices get chesterfields as perks?

**Hon. Mrs. Scrivener:** I think what any person is entitled to in government is pretty well laid down by Management Board ruling—even to the size of the office and whether or not it may have a window, and so on. So depending upon where you are in the pecking order in the government system, you may have so many square feet in which to work, the size of the office, and so forth. Furniture is standardized and very few people in government have chesterfields. They are principally located in waiting rooms and lounges, but even those are standardized. It's established as to the kinds of coverings they may have.

**Mrs. Campbell:** The pecking order is pretty clear. Back-benchers of the government do have large offices with chesterfields, and the opposition offices are visibly very small. I guess that's an example of the pecking order.

**Mr. Davison:** We are getting light switches put in.

**Mrs. Campbell:** Do I take it that is the answer?

**Hon. Mrs. Scrivener:** No, not at all.

**Mrs. Campbell:** Well, is there another answer that answers the question?

**Hon. Mrs. Scrivener:** I think we were talking about office furnishings.

**Mrs. Campbell:** I was.

**Hon. Mrs. Scrivener:** And the standardization of furniture. I think I answered you fairly clearly.

**Mrs. Campbell:** And you did talk about those offices which had the perks of chesterfields. I just wanted to know who had them, or how they got them—and how they rated in the pecking order of government?

**Hon. Mrs. Scrivener:** There's a long, narrow waiting room outside the Premier's office, and there are chesterfields there. There is usually a chesterfield in a deputy minister's office and, I think, usually in a minister's office. There are chesterfields that I know of in some of the lounges and areas where people congregate—for instance, in our front hall. And, again, those chesterfields are for rougher wear.

In any case, what I'm saying to you is that there is no standardization of chesterfields that I know of, beyond the fact of their size and their kinds of covering.

**Mr. Wildman:** Surely one of the determining factors of whether we can have a chesterfield is by the size of the office.

**Mr. Chairman:** Order, please.

**Mrs. Campbell:** And who you are.

**Mr. Angus:** Let's go back to the disposition of desks, chairs and filing cabinets, and the ordering of materials. I assume your ministry assumed the responsibility for the various ministries in stages. It didn't take over every ministry all of a sudden, but it went one at a time. There was kind of a long change-over period.

**Mr. Thatcher:** Perhaps I could help. It was, at one time, that the Management Board directed that the Ministry of Government Services should take responsibility for supplies. But prior to that we had furnished new buildings and the ministries had added to their stock of furniture as their needs varied.

**Mr. Angus:** Okay. How about in terms of stationery and supplies? Did the same thing occur that the Management Board made a decision or did you gradually assume that responsibility?

**Hon. Mrs. Scrivener:** No, we have been all through that, Mr. Angus, in your absence. It was purchased under collective purchasing agreements.



**Mr. Angus:** All right, but did that decision to make the collective purchasing agreement happen overnight, say, as of Dec. 31?

**Hon. Mrs. Scrivener:** These are the policies that have been developed.

**Mr. Angus:** Right. So, it all happened at once. It wasn't that one ministry went one year and then another joined and another joined?

**Mr. Thatcher:** No.

**Mr. Angus:** It's important in my next question. Has there ever been some type of study or assessment done of the time it takes the Ministry of Government Services to supply materials, whether they be furniture, or stationery supplies, or stores, or what have you, as compared to a ministry, and pay them on a specific direct basis from the supplier without talking about the obvious saving that you mentioned to my colleague?

**Hon. Mrs. Scrivener:** Are you talking about from the time an order is put in until the item is supplied?

**Mr. Angus:** That's right.

**Hon. Mrs. Scrivener:** I think our purchasing agents have just the same problems of supply that other purchasing agents do. Mr. Strauss, will you comment on it?

**Mr. Strauss:** Obviously, it depends on the product you're purchasing. If stationery is the item, we may have it in our central stationery stock and it would take just as long for us to deliver the item as it takes to process the order and get a chit from Queen's Park. You might compare that with sending somebody to Grand & Toy on Yonge St. It might be a little less time but, obviously, you would pay the higher price.

The same thing applies to furniture, depending on whether it is an item we have in stock. We do have a small, so-called emergency stock in furniture. We may be able to supply the chair or the desk on very short notice from the warehouse in Mimico or wherever it happens to be at the moment. If, on the other hand, it's a larger order to furnish a new arrangement in an office or something, it depends on the delivery time. We assume we would have at least as much influence on delivery, given the purchase price, as the ministry would if it made the contact direct.

**Mr. Angus:** I guess what I'm getting at—and I'm speaking as a former civil servant—

for the civil servants I know today, the quickest scapegoat they can find is the Ministry of Government Services, whether it be for provision of supplies, materials or what have you. I was just wondering if there had been any studies done, or research done, to ascertain whether, because of the central purchasing, that it worked out there had to be that extra delay of a day, or four or what have you?

**Hon. Mrs. Scrivener:** I think it's entirely possible that we're slower because in certain instances, obviously, we're tendering. That's a little different from going to Grand & Toy.

**Mr. Angus:** Right, very much so. I would rather see the tender route, even though I myself do get frustrated with the tender route because it makes that extra delay.

**Mr. Strauss:** If I may add a word again, it all depends. If we've already negotiated a collective purchasing agreement it will be much faster to get it under that agreement to the ministry direct. If it were not for the fact that we had done the negotiation and the comparison and the tendering, it would take a lot longer. I might add, as an aside here, one of the services we provide the government is to act as the scapegoat.

**Mr. Angus:** Just one thing, I assume that you were responsible for the obtaining and supplying of all furniture through the Ministry of Consumer and Commercial Relations for their rent review programme. Is this correct?

**Hon. Mrs. Scrivener:** Yes.

**Mr. Angus:** Were you given what you would feel to be adequate advance notice in the establishment of this chain of bureaucracy to meet the overnight blooming of all this in your ministry?

**Hon. Mrs. Scrivener:** Weren't you impressed with the speed at which we could do some of this?

**Mr. Angus:** No, let's not get that far yet. I'd like the answer. Then I'll come up with something else.

[10:00]

**Mr. Thatcher:** To answer your question, we met the target date established by the Ministry of Consumer and Commercial Relations.

**Mr. Angus:** And that date was sometime within January or February?

**Mr. Thatcher:** Yes.



**Mr. Angus:** For complete supply of the equipment for the offices?

**Mr. Thatcher:** They had the offices and they were furnished and they were operative in early February.

**Mr. Angus:** Okay, could I suggest then that you might like to take a second look at the Thunder Bay Office, where the rent review officer is in the fortunate or unfortunate situation of having to bring his own desk into the government complex so that he had an area to work out of?

**Mr. Thatcher:** That's a little above and beyond, isn't it?

**Mr. Angus:** Yes, he's a good one though.

**Mr. Thatcher:** I will look into it.

**Mr. Angus:** Yes, if you would, please, because I think that's asking a little bit more than was required, given the circumstances.

**Mr. Ruston:** On May 4, 5 and 6, you had an Ontario government Manufacturing Opportunities Show, and I was just looking over some of the items you were urging people to sell to you. These are items that you have to import, and it is rather interesting to see some of the articles. Apparently these are imported items that were exhibited.

**Hon. Mrs. Scrivener:** Did you get down to the show?

**Mr. Ruston:** No, but some of my colleagues did. I didn't make it. I should have.

**Hon. Mrs. Scrivener:** It was very good.

**Mr. Ruston:** I was interested in the items. I was wondering what kind of success you had at that type of a show, if you had many inquiries as to replacing some of the imported items with Canadian manufacture?

**Hon. Mrs. Scrivener:** It was not our show, you know.

**Mr. Ruston:** No.

**Hon. Mrs. Scrivener:** We were not the sponsors, but we did have a booth there, and we were trying to impress observers with the fact that we would invite them to help us buy Canadian.

**Mr. Tobias:** In response to your question, sir, we did have a significant amount of interest at the show. People picked up that brochure along with other materials—forms to be completed and returned to us if they were interested in supplying any of these

items to us, if they were able to make them in Canada. It is a little early yet to tell, but we did have conversations there on things like the electronic speakers, the scissors, some of the clothing, and we are really awaiting further responses from the people who visited our booth.

I would like to add that some people came to us and said, "We are already making this here in Canada," and we had to explain to them that we recognized this but they were unable to make it and sell it competitively in Canada, and this is what we were asking them to try to look at, the effectiveness with which they were able to produce these things and sell them in Canada.

**Mr. Ruston:** Yes, I was noticing a couple of the items under Community and Social Services, and special clothing for retarded. I realize that might be specially made and so forth, because certain people have difficulty in wearing them, putting them on and so realize that might be especially made and so forth, and yet we have heard a number of announcements in the last few weeks—I think the Minister of Industry and Tourism (Mr. Bennett) has mentioned that some of the clothing manufacturers in Ontario are having a real tough time competing against imports of shirts and so on. That may be something they should be looking at. I see sports equipment—ball gloves, boxing equipment, racquets, balls—and I can recall, having been in business a number of years ago, that many of these things were made in Japan. Do you get involved in purchasing that sports equipment that is sent out to organizations, or does Community and Social Services do that?

**Mr. Tobias:** Many of these items are not purchased by us. We were acting in a co-ordinating role to bring into one place materials purchased offshore being bought by other ministries, and ourselves, too, to some extent.

**Mr. Chairman:** Shall item 2 carry? Carried. Item 3, printing and stationery services.

**Mr. Davison:** I have a few questions. How much money are we going to spend on the graphic arts advisory service?

**Mr. Metcalfe:** The graphic arts advisory service, Mr. Chairman, is an ongoing part of a print procurement programme in which we provide an area of expertise to ministries in the developing of specifications on printing, the making up and the calling of tenders on printing, the analysing of the tenders and the placing of the purchase orders, establishing delivery and so on. So it is merely an adjunct



of the complete service of the print procurement section of my branch.

**Mr. Davison:** That's what the graphic arts advisory service does?

**Mr. Strauss:** It is not a separate function.

**Mr. Thatcher:** It is something like somebody calling up Mr. Metcalfe and saying, "I am going to put something out, how would you advise I do it?" and over the phone he gives them some advice. That's about the size of the project.

**Hon. Mrs. Scrivener:** Like the cost of a telephone call.

**Mr. Davison:** Let's see—it is just about negligible.

I would like to know—you send a lot of printing work out that you don't do yourself. I would like to know how much of it goes to union shops, and how much of it goes to unorganized shops?

**Mr. Metcalfe:** We don't differentiate between the two types of shop, open or closed, Mr. Chairman.

**Mr. Davison:** I am not exactly sure what that means.

**Mr. Metcalfe:** We don't ask as a criterion of our suppliers whether they are a union shop or a closed shop. Therefore the information isn't recorded.

**Mr. Davison:** You have no idea, then, if your stuff is being printed by union people or not?

**Mr. Metcalfe:** That is correct.

**Mr. Wildman:** You don't require a union shop?

**Mr. Metcalfe:** No, we don't.

**Mr. Davison:** That's very interesting.

I would like to know about the binding methods and paper quality that is used in the production of certain government documents. I realize it might not be your field of expertise, but I would like to know who makes the decisions on how a report will be published and by what method it will be published, and how it will appear.

I have before me, for example, a copy of the Public Accounts 1974-1975, volume 1, printed by Mr. Thatcher in his capacity as the Queen's Printer. You did a very nice job on this. It is 415 pages long. I also have before me the first volume of the report of the royal commission on certain sectors of the building industry. It is 344 pages long. I don't know if you are familiar with it. It has a very nice

inside plate. It has a very nice quality of paper. It is a hard-covered book, with a very attractive dust cover, and a nice little picture of His Honour, Judge Harry Waisberg, on the back of it.

I would like to know who makes the decisions on this sort of a matter, and what responsibility your ministry has in determining how government documents are published.

**Hon. Mrs. Scrivener:** I think the royal commissions probably have very considerable independence as to how their reports are produced. In terms of other reports, such as the one you have just discussed, the blue book, in the normal procedure, I think the sponsoring ministry or organization consults with Mr. Metcalfe. Over a period of time there has been a certain style and form used in the auditor's reports and so on. All have a predictable size and shape and appearance, so that they are readily identifiable, and will take a certain amount of wear and tear.

**Mr. Davison:** I don't think we are really getting to the heart of my question. The auditor's report—I have a copy of it here—is again a soft-covered book. I'm a bit of a bibliophile. I buy a lot of books, and while I'm not an expert on the wholesale prices, I do know something of the retail prices. I would suggest to you that a book like the public accounts book, which I showed you, conceivably would sell for \$4.98. A book such as the Provincial Auditor's report, depending of course on the amount printed, would sell for maybe \$2.98 or \$3.98—

**Hon. Mrs. Scrivener:** I think it is worth \$4.98.

**Mr. Davison:** —but a book such as the report of the Royal Commission on Certain Sectors of the Building Industry is worth anywhere between \$12 and \$15 or \$16, which is a considerable difference. It's also very expensive to print books in small runs. It's one thing to print a book like this if you're printing a million copies, but to print, say, 2,000 copies of a book like this is a very very expensive proposition. I'll tell you quite frankly: I think this sort of spending is an incredible waste of money because it is such a silly waste. It doesn't matter that it has a hard cover. This paper stock—I don't know if you are familiar with it, but it's a very nice stock—is just a ridiculous waste of public funds.

**Mr. Ruston:** It is almost as good as the paper stock that the NDP candidate used in the last election—not quite but almost.



**Mr. Davison:** You should see what we use in the ridings we win.

**Hon. Mrs. Scrivener:** I don't know Judge Waisberg's rationale for that, and I don't think he necessarily would have had to consult us about it.

**Mr. Davison:** Aside from the statutes and the debates, do you print any bound, hard-cover books?

**Hon. Mrs. Scrivener:** I don't know if you have ever visited our print shop, but we have no machinery for that kind of thing. We would have to put it out—

**Mr. Davison:** Oh, I realize that you didn't do this.

**Hon. Mrs. Scrivener:** No, but we would have to put out anything of that nature. We have nothing to handle it. We can do some very nice work in our shop, but we couldn't do that.

**Mr. Davison:** Don't get me wrong. I understand you didn't print this in the basement. I'm not really concerned at this point in time how it is printed. I don't care if we get it printed in West Germany. The point I am concerned about is the fact that it is a hard-cover book, on very expensive stock, very nice typesetting—the whole thing. That's the point I'm making.

**Hon. Mrs. Scrivener:** Would you like to comment on the Waisberg report, Mr. Metcalfe?

**Mr. Metcalfe:** Mr. Chairman, the service that we provide is to provide the services that our client—in this case, the commission—desires in the way of a report and, within that framework, as economically as possible. The specifications for most of the work that we do are made by our clients, augmented to assure that they can be tendered competitively by us.

**Mr. Davison:** So therefore you were responsible for this report?

**Mr. Metcalfe:** No, we were responsible for the placing of the business to specifications drawn by the commission.

**Mr. Davison:** For the specific report?

**Mr. Metcalfe:** Yes.

**Mr. Davison:** Did they specify to you that they wanted a hard-cover copy and that the paper weight would be such and such?

**Mr. Metcalfe:** Yes.

**Mr. Davison:** They did? Did they specify to you the photographs and so on?

**Mr. Metcalfe:** They would provide the photographs. They would write up the specifications in broad terms, stating a paper of this quality; not necessarily the basis weight or the generic name. We would provide that to fulfil their needs and wants.

**Mr. Davison:** Does the Ministry of Government Services on its own print any material in hard cover?

**Mr. Strauss:** No.

**Mr. Davison:** Who is responsible for printing the reports of the legislative debates, the statutes and so forth? Who is that?

**Hon. Mrs. Scrivener:** They are contracted out.

**Mr. Davison:** Who is responsible for getting it printed?

**Hon. Mrs. Scrivener:** It comes under the Office of the Assembly.  
[10:15]

**Mr. Davison:** All hard-cover books put out through the Ontario government and its various ministries and agencies, fall under some ministry other than your own?

**Hon. Mrs. Scrivener:** Yes.

**Mr. Davison:** You put out no hard-cover books at all? You are the watchdog of expenditure and in this sense it goes into your ministry's budget. Have you ever talked to the other ministries?

**Mr. Thatcher:** Most of our printing is charged back. We provide the printing service but most of the printing—the Waisberg report, for example—would be paid for by the commission.

**Mr. Davison:** Let me put that another way. The printing goes through you and the only time when we see or when anybody sees all of the printing together is when it is channelled through your ministry? There's no other point in time where it's all together.

**Mr. Thatcher:** That's right from whatever source, but not all printing does go through our ministry. There is some printing that goes outside directly from the ministries.

**Mr. Davison:** Which ministries?

**Mr. Thatcher:** Various ministries.



**Mr. Davison:** So we're back into the old thing about not doing it collectively.

**Mr. Strauss:** Mr. Metcalfe provides a service. If ministries want to consult him and get their orders placed through him, we are available to render that service. However, there's nothing mandatory about it. Most ministries use our services some of the time. Some of them use it all of the time, but not all ministries use it all of the time. In any case, whether it's placed through us or placed directly, the ministry pays for it through its budget.

**Mr. Davison:** Would you agree, if the Ministry of Government Services had the responsibility for specifications of books printed for the government, you would exercise the same restraint and the same careful planning that you exercise when you are responsible for such things as furniture?

**Mr. Strauss:** If we had the same responsibilities?

**Mr. Davison:** Would you carry out that charge in the way you carry out the others?

**Hon. Mrs. Scrivener:** Of course.

**Mr. Davison:** Therefore, would you not consider it in the interests of the public for you to talk to the other ministers of the Crown about the possibilities of having material printed through you in that way?

**Mr. Thatcher:** We do that, Mr. Davison. We make sure the other ministries are aware of our service. As I said to an earlier question, we don't have the authority to compel the other ministries to put their printing business through this ministry.

**Mr. Davison:** I realize that. We've seen a movement toward collective purchasing through your ministry. We've gone through that in great detail tonight and on other occasions. I think it would behove the government to make sure it does go through you or try to bring about the same sort of collective purchasing that you've brought about in other fields.

Secondly, and more important, I think it would be very important for the decision as to how a book is going to be printed also to go through you so that we can stop the waste we see in books like this. I would hope you would take it on yourself, again with your very persuasive manner, to go to other ministers of the Crown or through the cabinet to raise it—that this sort of nonsense stop and we have one central group, preferably

in the Ministry of Government Services, which will be responsible for design and we won't see any more of the taxpayers' money wasted in such a silly fashion as this. Could you do that? Thank you very much.

I'd like to know what ministries and agencies don't use the government stationery services. Is it going to be MTC, Hydro and LCBO? Good. Which ones this time? Who are the offenders?

**Mr. Strauss:** While Mr. Metcalfe's verifying my answer, I believe all ministries use the government stationery service for standard items. However, they may use other sources for non-standard items, and in certain cases we encourage them to use them when it isn't worth shipping from central stock.

**Mr. Davison:** Does that apply when you use the term "ministries"? I realize there is a very big difference between the words "ministries" and "agencies". Would you extend what you just said to the word "agencies"?

**Mr. Strauss:** Not if it means Ontario Hydro or Workmen's Compensation Board, although I think Workmen's Compensation Board have availed themselves of our central stationery service. Then again, perhaps it might help to realize that Hydro is outside the public service as defined in the Public Service Act and is really outside most of our operations.

**Mr. Davison:** That doesn't mean, though, that it is a good idea for them to waste money. I realize—

**Mr. Ruston:** It was the NDP's idea. We want to keep them independent—

**Mr. Davison:** What about the LCBO?

**Mr. Strauss:** I think they use—

**Mr. Davison:** They are good for the LCBO this time. According to your annual report, you have over 1,600 items of stationery and office supplies, used by government offices in Queen's Park and throughout Ontario. Then, under supply standards section, you mention that you have some 2,000 different items. Does that mean the items we are talking about in supply standards section include things other than stationery and office supplies?

**Mr. Strauss:** Yes.

**Mr. Davison:** Can you tell me what those are?



**Mr. Strauss:** Well, we are back to supply administration in this question.

**Mr. Davison:** Okay.

**Mr. Strauss:** I would imagine garbage bags, sanitary papers, things like this that are standardized—which are not office supplies.

**Mr. Davison:** But the 2,000 figure includes the 1,600?

**Mr. Strauss:** No.

**Mr. Davison:** Okay, it is completely separate.

**Mr. Strauss:** Yes.

**Mr. Davison:** So we have got 3,600?

**Mr. Strauss:** That's right.

**Mr. Davison:** Okay, good. On the 1,600 items—back to stationery and office supplies—do you feel the consolidation programme has met its goal, or do you think it has to continue to some further consolidation?

**Hon. Mrs. Scrivener:** I think it is one of those things that keeps adapting and changing to new situations as demanded. The demands this year aren't necessarily going to be the same next year.

**Mr. Davison:** So it is an ongoing process?

**Hon. Mrs. Scrivener:** Yes.

**Mr. Davison:** And the same thing, I take it, applies back to the supply standards section?

**Hon. Mrs. Scrivener:** Right.

**Mr. Davison:** With garbage bags and toilet paper? Okay, fine.

**Mr. Chairman:** I am sorry I have to rotate by party, Mr. Angus. Mr. McCague?

**Mr. Angus:** So much for your mental telepathy this time.

**Mr. McCague:** Just a two-minute question. There seems to be some problem, Madam Minister, with getting publications out of the bookstore. Do you have anything to do with that? They seem to be out-of-stock before they are printed.

**Hon. Mrs. Scrivener:** I understand that the Office of the Assembly will print X-number of bills which have our standard distribution, and then just so many are left. If there is a heavy run on the bill, they go out. Unless

a ministry or somebody takes the initiative to replace it, it just doesn't happen.

**Mr. McCague:** It doesn't happen.

**Hon. Mrs. Scrivener:** No. I think basically they resist having to replace a bill if it hasn't been debated, in case it is going to be amended or whatever. I don't know.

**Mr. McCague:** As to the Landlord and Tenant Act, for instance, they could have easily presumed there would be a lot of copies of that required. Why are they out so long? I don't understand. I would like some clarification.

**Hon. Mrs. Scrivener:** As I say, I think some ministries simply delay having reprints of their bills made because the item is chargeable back to them after a certain number is reached.

**Mr. McCague:** Yes. Are you printing them?

**Hon. Mrs. Scrivener:** We print them and charge the ministries over and above a certain number. I think they delay this until the bill has been debated.

**Mr. McCague:** Okay. Then when it has been debated, what is your standard procedure?

**Mr. Strauss:** I think we are perhaps talking about a problem which has been largely reduced. We had a situation where we were dependent in the bookstore on the supply of additional copies from other ministries' publications. We very frequently ran out of copies because the other ministry wasn't going to re-order for its own purpose. This happened particularly in bills.

Last year there was a new system with the approval of the Management Board, under which we were funded, so that we could add to their order whatever quantity we deemed was required in order to keep the bookstore supplied. I think as a result of that, we have had a lot fewer complaints, none as far as I can recall recently, where we are out of stock.

It will still happen occasionally but because we are now no longer dependent on the generosity of other ministries which, for understandable reasons, didn't want to supply the bookstore with publications, we are now in a position to meet more of the demand. I hope some of these problems have been somewhat overcome, if not completely overcome.



**Mr. McCague:** How much is wasted then, when you do that?

**Mr. Strauss:** Obviously our guesses are wrong some of the time in both directions. Sometimes we will run out in spite of this new system. Sometimes we will have something on hand that has been superseded by a new publication. That's the risk of being in

the publishing business—not the publishing business, but the printing business.

**Mr. Chairman:** It is now 10.30 of the clock and I still have two names on the list for this item. I think we will adjourn now. I would remind the committee that we will continue on item 3 at 8 next Tuesday night.

The committee adjourned at 10:30 p.m.

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### Ministry of Government Services officials taking part:

Metcalfe, G. R., Director, Printing Services Branch  
 Strauss, E. F. H., Assistant Deputy Minister, Supply and Services  
 Thatcher, J. C., Deputy Minister  
 Tobias, L. M., Director, Supply Administration Branch





# Legislature of Ontario Debates

**SUPPLY COMMITTEE—1**

**ESTIMATES, MINISTRY OF  
HOUSING**

**OFFICIAL REPORT — DAILY EDITION**

**Third Session of the 30th Parliament**

**Monday, May 17, 1976**

**Speaker: Honourable Russell Daniel Rowe**

**Clerk: Roderick Lewis, QC**

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# LEGISLATURE OF ONTARIO

## SUPPLY COMMITTEE

MONDAY, MAY 17, 1976

The committee met at 3:06 p.m. in committee room No. 1.

### ESTIMATES, MINISTRY OF HOUSING (continued)

On vote 2002:

Mr. Chairman: Mr. Haggerty.

Mr. Haggerty: Thank you, Mr. Chairman. I was interested in the comments the member for Oriole (Mr. Williams) discussed about some of the delays in the planning procedures in many municipalities. The member for Ottawa Centre (Mr. Cassidy) can well recall the select committee dealing with the Ontario Municipal Board and I think both of us discussed this some time during the estimates. Many of the problems related to planning were mentioned in this particular report and study; it mentioned that for about 90 per cent of the people who were interviewed by the committee planning was the main topic.

I was just wondering—and I can't recall—if any of the recommendations in that select committee's report have ever been adopted by the government. I am sure if some of those recommendations were accepted and legislation brought in it would certainly speed up the planning process of the Province of Ontario.

This particular report goes back about four or five years now, and not too long ago I talked to the chairman of the Ontario Municipal Board and I don't think he was too pleased with the government in not moving to give the board the authority to speed things up. The member for Oriole mentioned the long and costly delays. I think one of the particular things suggested in that report was that where an appeal was made to the Ontario Municipal Board or to the local government by ratepayers that all the information would be made available to both parties—that is, municipal council and the parties objecting to it. They thought perhaps they

could come to an agreement on the basis that no further appeal would be required.

If that recommendation had been accepted you wouldn't have had to make an appeal or have a hearing before the Ontario Municipal Board. It may take six months to two years before you can get a hearing before that board. I just bring this to the minister's attention that there were some good recommendations in that report and I regret that the government hasn't moved in that direction of speeding up the hearings.

That brings up another issue relating to some of the official plans of the regional municipality of Niagara. I was concerned about the one for the town of Fort Erie. I discussed it with the chairman of the board.

Apparently, when a municipality makes an application to the Ontario Municipal Board for a hearing under the Planning Act or the municipality's official plan the board sets up a certain date for a hearing. Sometimes this can go on for three or four years before a final hearing is called. I find, reading between the lines in the newspapers, that many municipalities in regional Niagara are using this method; but using this method sets up two rules in planning in a certain municipality. If you want to make an amendment to it, although the plan is before the Ontario Municipal Board without a hearing, you can still make amendments under the Planning Act for that official plan or rezoning; sometimes it is done by giving three readings in council in one night. But other individuals who make an application for rezoning or for an amendment to the official plan have to go through the rigmarole of all the procedures set up and, in the last stage, they have to appear before the Ontario Municipal Board at a hearing. Some place along the line, some direction must come from your ministry that these municipalities must speed up the delays in the official plan.

I can cite a number of cases where property has been purchased by a local industry to extend their boundaries well beyond the means that are required at the present time,



and people have objected to extending the boundaries of that particular industry which is the quarry industry. They have made an appeal to the council, and they have filed a petition that is before the Ontario Municipal Board, but these citizens do not have their day in the courts. Meanwhile, the quarries can have their new boundaries all fenced in and approved by the Ministry of Natural Resources, without even having a hearing. I think this is wrong.

I can cite a particular case that was reported in the press with the headline, "Make No Recommendations on Quarry." This is in the regional municipality of Niagara, where Canada Cement Lafarge Ltd. wants to start up quarry operations that it ceased operating seven or eight years ago in the township of Wainfleet. It says here:

Until the legal questions surrounding the Canada Cement Lafarge Ltd. quarry applications are cleared up, the regional planning committee is tabling the issue and will not be forwarding recommendations to the Ministry of Natural Resources.

In this particular instance, the municipality is opposed to the quarry operations; they don't want a licence issued to them. The residents are up in arms over it; they don't want the quarry to start up again. Yet the public, the residents, have no recourse whatsoever. If I can read between the lines, you can rest assured that the Minister of Natural Resources probably will be issuing a permit for development of this particular site.

One of the areas that perhaps I should be most critical about is that in any of the official plans, particularly in the Niagara region, the words "agricultural land" crop up. You can have urbanization develop on agricultural land, but they say, "Under the planning section of the municipality it says agricultural land." You can put everything in there but farm land for production. You can have a service station. You can have industry. You can have everything. I think the terminology they use is non-conforming, but the words they use are, "agricultural land."

If you are going to have land defined as agricultural land, then it should remain as agricultural land for farm production. It's a loophole in many municipalities, and I think it comes from the best of the planners in the Province of Ontario; in particular, Proctor and Redfern is one that usually recommends the agricultural land; another one is Philips Planning, which has an office or facilities outside of Burlington. They have all come up with this agricultural land ter-

minology and yet you can construct anything in that particular area. When they use those words, there is no protection under the Planning Act for the farming industry or the farming community. You can see it disappear. [3:15]

**Hon. Mr. Rhodes:** I think it goes without saying that for many years one of the tools used by municipalities in the preparation of zoning bylaws and in official plans was to use the terminology "agricultural land," which was purely a holding category. That was what was used. They called it agricultural land because it happened to be an open field; it was looked upon as being farm-like in appearance, if you will, and it was used as a holding category. But I think Milton Farrow can tell you that we have certainly been encouraging municipalities to include in their official plans, for the past some time, a definite category of land that is to be used for the production of agricultural products. Mr. Farrow, do you perhaps want to comment on that?

**Mr. Farrow:** Yes, sir. For quite a few years we did use "agricultural" as a non-urban category and there were many official plans on land which wasn't going to be used for urban purposes shown as agricultural land. But in the last while we have been trying to designate these lands as non-urban or rural if they in fact have no agricultural capabilities. We are trying to get away from the agricultural category as being obviously a holding category until something better comes along. We're working now with the Ministry of Agriculture and Food to make sure that land which is so designated is going to be land which is agricultural and which should be agricultural.

**Mr. Haggerty:** I can cite a number of cases in relation to quarry operations in particular. Since the ban has been put on quarry operations on the Niagara Escarpment they have moved out into other communities in the Niagara region. They have bought a great number of acres of land to extend their boundaries and under that particular section the municipality designates them agricultural lands and even when you say they're for agricultural purposes, or agricultural lands, you find that a quarry can go in there.

**Hon. Mr. Rhodes:** Will this not be under a zoning bylaw within the municipality—that the quarry is a permitted use?

**Mr. Haggerty:** You can take zoning by-laws, restricted area bylaws—it all comes under the word planning, though.



**Hon. Mr. Rhodes:** I'm saying to you, though, that if a quarry is there now, I'm assuming—and please correct me if I'm wrong—in this particular case, that the existing zoning bylaw permits a quarry as a use in that particular area and that no amendment was made to prevent this from happening. At the time the bylaw was prepared, a quarry was one of the permitted uses. Is that correct?

**Mr. Haggerty:** I think you are correct in what you are saying, but it's when the quarries want to extend the boundaries into land classed as agricultural land. The delay of that official plan has allowed the pit operators to extend their boundaries into good agricultural land. Sometimes I feel that the delay is done purposely in many cases so that these industries can branch out and extend their operations further so they've perhaps got enough resources for the next 30 or 40 years.

**Hon. Mr. Rhodes:** I take it an amendment to the official plan was proposed.

**Mr. Haggerty:** No, there were objections to it—let's put it this way—but the people have not had their day in court, this is what I'm saying. They can make applications to the Ontario Municipal Board that they want a hearing. Then maybe there is a change of lawyers and you start the process all over again. Or perhaps council will make amendments to the official plan themselves and that adds further delay to it and for about four or five years it is hanging in midair and people who objected to the official plan have never had their day in court. This is going on in a number of municipalities in the Niagara area.

**Hon. Mr. Rhodes:** I've been accused, probably with some justification, of asking questions during these estimates but I want to get something clear. In the situation you are referring to is there an existing official plan?

**Mr. Haggerty:** Yes.

**Hon. Mr. Rhodes:** Are there existing zoning bylaws within the terms of that official plan?

**Mr. Haggerty:** Yes. You see, one of the problems stems from when the regional municipality was established. When two or three municipalities were amalgamated into one municipality, you've got the old bylaws of the township; you've other bylaws, say for the village of Crystal Beach; and then you have the town of Fort Erie. Of course, the problem is to get all these implemented under one plan. There have been many changes in that area. I think you can find

this in other municipalities in the region too—not only Fort Erie, but Port Colborne, Welland and other areas.

**Mr. Farrow:** I think this has happened in several areas, Mr. Haggerty, not only where municipalities are reorganized and boundaries are changed but where only parts of municipalities were affected by official plans or certain zoning bylaws. In the past, many of the rural areas, whether they were of towns, cities, townships or whatever, had quarries as a permitted use in the agricultural areas under their old bylaws. They had gone through the Municipal Board approval process and they had had their day in court. It's just that there may be more people or newer people out there, and where the municipalities were considering amendments to their official plans which may not permit quarrying in these areas, those haven't been processed by the local municipality for some reason or other, or there had been objections and delays in getting final approval of them.

I think that in most cases there have been official plans—if not official plans at least zoning bylaws—which have permitted the quarrying to take place in these areas and which have gone through the due process. Now there have been some changes, either changes in local council or, for some reason or other, they feel there should be more controls put on where the quarries are located. Maybe they want to pinpoint them more accurately on their zoning bylaws as to where they will or will not have them.

I think the expansions going on usually are in accord with a bylaw which has been approved. It may be the amendments have not gone as quickly as some people would have liked but there are many reasons why some of these things take time and if the local people get objections both ways they have to consider all of this.

**Mr. Haggerty:** I'm sure you're well aware of the difficulties there were in the former township of Pelham with the pit operators in that particular municipality. I guess it has been before the municipal council for a number of years and, finally, I think it's been straightened around. I still think the people must have their day in court.

In this particular instance there are about 75 names on the petition and it's been on for about five years now. Where the petition is now, I don't know. Apparently they have revised the whole official plan and they've started the whole process over again. That means they will be advertising and people will be able to object to it again. Still, it



could be another 10 years before they get their day in court.

What I'm saying is that surely there must be some direction from the ministry that these plans have a certain time limit once the application is made to the board, and it must follow that decision.

**Hon. Mr. Rhodes:** Mr. Haggerty, I'm sure you are well aware that the Ontario Municipal Board is not within the jurisdiction of this ministry.

**Mr. Haggerty:** That's right.

**Hon. Mr. Rhodes:** It's in the jurisdiction of the Attorney General.

**Mr. Haggerty:** I quite agree with you.

**Hon. Mr. Rhodes:** I certainly am not in a position to direct the Ontario Municipal Board to do anything.

**Mr. Haggerty:** No, I don't think I intended to suggest anything to the Ontario Municipal Board but I think there should be more direction from your ministry.

**Hon. Mr. Rhodes:** No, not from my ministry. Again, with respect, it is the Ministry of the Attorney General which should be looking at that.

**Mr. Haggerty:** No, I'm talking about the planning part now.

**Hon. Mr. Rhodes:** It doesn't matter. All we do is refer the plans to the Ontario Municipal Board. Once they've been referred, the board deals with them in terms of its activities. The board is responsible for its actions to the Legislature, through the Attorney General's office. We are like any other individual or group of individuals in Ontario; we have sat and waited many times for decisions from the Ontario Municipal Board.

**Mr. Farrow:** Mr. Haggerty, I think there is one other point. I don't think you'll find very many applications sitting waiting for the Municipal Board, with the ball in their court, for any extended period of time. There may have been applications made and the municipalities then say they're trying to get additional information but they haven't got the information required for the hearing. I don't think you'll find very many waiting for more than a few months for the Ontario Municipal Board actually to take some action.

**Mr. Haggerty:** I was going to say some of the problem might be with the planning staff here in Toronto. I know in some cases it

does hold up the procedures of local planning.

**Mr. Farrow:** There have been cases in which we have held up sending our comments on a zoning bylaw to the Ontario Municipal Board but these, again, are matters of weeks usually. Sometimes they have extended into months when we have been trying to get comments or clarify a point with the municipality but to my knowledge there is no case in which things have been held up for a matter of years waiting with the ball in our court or in the Municipal Board's court.

**Mr. Haggerty:** What is your position, to the minister, on the deregistration of subdivisions in municipalities? What position do you take on this?

**Hon. Mr. Rhodes:** There's a time limit.

**Mr. Farrow:** The deregistration?

**Mr. Haggerty:** That's right.

**Mr. Farrow:** The municipality is the one that indicates an action under section 29 to deem a registered plan of subdivision not to be a plan of subdivision. That plan of subdivision has to have been registered for at least eight years before the municipality may take that initiative. This doesn't happen too often. Some old plans have been registered, old plans which were put on many years ago with no services put in or no subdivision agreements or no roads built or what have you. That is the basic procedure for deregistering a plan of subdivision.

**Mr. Haggerty:** Let's take the town of Fort Erie, for example. There is a subdivision there from some 60 or 70 years ago where the lots average about 40 ft x 110 ft or something like that. At one time the land was all owned by the township of Bertie and was sold to certain property owners in the hope they would build on it. They have now and they've provided sewers in that particular area. There has always been water within that particular area—that's in the pipe-lines and also above ground.

The developers have moved into the area. I don't say they're large developers but they've gone in and bought up maybe 30 or 40 of these lots. At one stage they wanted to take three lots and make a 60-ft frontage which would give a good size and a beautiful lot in the area. It's right in Fort Erie. But council has come along and used this deregistration plan and has now put the lots back into one block.



Hon. Mr. Rhodes: And asked for a new plan of subdivision?

Mr. Haggerty: Yes, but you wonder and question what right they have to do this without a hearing. Perhaps there are individuals that bought land and are going to build on it. They are building in the area right now. I would just question if council has this much authority to change this without advertising in the papers.

Mr. Farrow: The municipalities are the ones that initiate it. As I said, the main control over municipalities was that these plans of subdivision have to be eight years or more old. If development has taken place or lots have been sold, the deeming doesn't really make any effect. But if a plan has been sitting around undeveloped—and the Legislature, I assume, made the decision—with no work done on it for eight years from when it was registered the municipality maybe have the right to say it wants to look at this again.

Mr. Haggerty: I think you're quite right on that. I can recall an instance in the township of Bertie where, as a member of that council, we did that. But that was a good block where there wasn't a house constructed within the area. It was just open farm land which was subdivided some 60 or 70 years ago. This is an area now where there's housing on every street with this open block of land in there of about 18 or 20 lots or 40 lots lying idle at the present time waiting to be developed. I can say through this procedure that council has followed now it's going to add to the cost of that lot. As I understand it, the owners now have to go and apply to the land division committee for severance and everything else that changes the description of the lots from 40 ft to 50 ft to 60 ft of whatever it may be. That's going to add a cost of about 1,000 per lot and then you've got the additional impost charge, so the lots will be increased by \$3,000. It's just damned well ridiculous that this is allowed to continue without somebody questioning it first.

Mr. Farrow: If I may, in many cases there was no subdivision agreement and there was no road standard. Presumably, those lots were available to sell to you and to me and to Mr. Singer. He could come in and ask for a building permit. Who's going to put in the services? The municipality could be in a position of having to put in the services.

Mr. Haggerty: It's usually done on local improvements.

Mr. Farrow: Even on local improvement, I think you'll find that still requires a fair amount of expenditure by the local municipality. It may be recovered over a period of time but it is still a charge against their borrowing power. On this basis, most municipalities feel if there was an old plan on which nothing has happened that perhaps they should ask that the same system go through. In some cases the design is terrible. [3:30]

As you say, in this case they are going to join two or three lots together and make a nice redesign, but it might be that when you start to look at it, the whole road structure doesn't necessarily meet what they are trying to do today. While I admit it is going to mean they will probably charge a levy, if they are charging a new subdivider levy, and that they will probably ask for the servicing that is charged of a new subdivider—if things sit around that long and it's a matter of the municipality having to put it in on local improvement and letting this man sell his lots at a very reasonable price compared to some other subdivider, we leave that decision to the municipality.

Mr. Haggerty: Regardless of which way you look at it, it's the land owner that is going to pay for it, even on local improvement or if he buys the property through a developer; he is going to pay the cost. It's going to be financed in a different way.

Mr. Farrow: Yes, except the people in the municipality pay part of the cost when it is under local improvement, I believe.

Mr. Haggerty: The municipalities pay a portion of it. It's an interconnection crossing the streets; they pay a portion on that.

But I would just question this: the people in the area don't seem to have a right to question some of these decisions. They don't have access perhaps—you know, there's no question about the matter being referred to the Ontario Municipal Board. It was just done by three readings in council and they are well on their way now. Councils are perhaps going to pass an amending bylaw to put it back to where it was before, but these things do cause problems with a developer and the person who wants to build a home in the area, and it adds further to the cost.

I think I made reference here a couple of years ago on a matter where the Ontario Housing was going to get into this particular area to develop houses in there and you could have bought these lots at that time for about \$2,200 a lot. They were unserviced



lots, but for another \$2,000 you could have them serviced for far less than Ontario Housing was going to provide lots for just across the street, \$13,000 and \$14,000 for a 50-ft lot.

In this particular instance where there are many lots in the particular municipality that can provide housing, infilling of housing, they seem to have difficulty with the red tape they have to go through, not only at the council table but through the Ministry of Housing, and planning in particular. I think if you are going to get housing constructed in a particular area you are going to have to bend a little bit. I don't think you have to have a Cadillac, let's put it that way.

When you talk about streets, you don't have to have storm sewers and gutters and paved asphalt out there, you can have a hard-surface road without the asphalt paving. You can get around just as much in a Ford as you can in a Cadillac. I think this is perhaps one of the mistakes that some of the planners make and I think when your comments—I can almost think of Proctor and Redfern and that is just what they would tell council and the residents in the area. They want to see the Cadillac developed. They can't see a Ford.

**Hon. Mr. Rhodes:** You are not going to get any arguments from us on that, I don't think. That is a position, certainly, I have personally taken and I think we have taken it in the ministry as well. That doesn't find total unanimity. I have heard some comments from the mayor of Simcoe who says four units to the acre is creating urban slum and other interesting densities.

**Mr. Makarchuk:** Alfred speaks in hyperbole.

**Hon. Mr. Rhodes:** We do feel that those lower standards are correct. It's a question of whether or not the municipality can deregister a subdivision after eight years. Somewhere along the line there has to be a decision that can be made at the local level. Otherwise, what's the purpose of the municipal council? I gather you are saying you think we should make some regulation or have legislation that would require the council, before it does anything in this area, to advertise the fact that it is going to deregister the plan—

**Mr. Haggerty:** That's right.

**Hon. Mr. Rhodes:** —and have public input into the deregistration. I am not a lawyer, but I know one here, a rather prominent

one: it seems to me the registration of that subdivision is a matter between the land owner and the municipality, and I really question whether the deregistering of that subdivision is of great public import as far as this one community is concerned.

**Mr. Haggerty:** It's certainly got the lawyers in the area up in arms.

**Hon. Mr. Rhodes:** Yes—well, of course, if the lawyers in the area didn't know that was a provision of the Planning Act, then I would look for a different lawyer.

**Mr. Haggerty:** I think it was that the people who owned the land—

**Hon. Mr. Rhodes:** I would come to Toronto and find one out in Wilson Heights somewhere.

**Mr. Singer:** That's a good idea.

**An hon. member:** The retainer would be rather high for you.

**Mr. Haggerty:** All I am suggesting to the minister is that the property owners should have some recourse without three readings in council which says: "This is it."

**Hon. Mr. Rhodes:** Mr. Haggerty, I'm sure the people who own that particular piece of property have been bending your ear since it happened.

**Mr. Haggerty:** No, I was just quoting from the paper.

**Hon. Mr. Rhodes:** I think they had a small talk with you because you're very knowledgeable about the subject. I really believe that if they owned that property they knew full well they were in danger of being deregistered, and if they bought it without knowing that they were going to be deregistered I don't have a great deal of sympathy for them.

I sympathize with your position that it's going to cause a problem in the redesign of the subdivision, the upgrading of it and the cost of the lots. That's a fair criticism. But on the deregistering of the lots I think government cannot continually be looking over the shoulder of every transaction in this province—every change that takes place. If some guy buys a property, or a group of people buy the property, and don't get the necessary advice and don't know what their legal rights are, surely you don't expect government to get involved in it?

**Mr. Haggerty:** That's your side of it, but I think the property owners in the area



should have the right to voice their objections. They should have some recourse without going through a legal battle and obtaining lawyers to fight in the courts.

**Hon. Mr. Rhodes:** Are the abutting owners getting lawyers to fight it?

**Mr. Haggerty:** They've been before council on it, yes.

**Hon. Mr. Rhodes:** The developers got around it quite well.

**Mr. Farrow:** I think they can go to council. As you said, the council are considering changing this. They may be entering into some agreement; I don't know what they're doing.

But on the other hand, if notice had to be given ahead of time, before any of this was to take place, in those areas where the municipalities really don't want development—as I say, we have some very old plans of subdivision that have hundreds and hundreds of, say, 25-ft frontage lots on narrow streets that couldn't be serviced. But if notice was given ahead of time, some developers or some land owners could go and sell those to individual owners in that interim period—deed them off in a checkerboarding type of way—which would then bring us into the position where a whole bunch of people legally owned land but couldn't use it.

The philosophy behind section 29 of the Act was to allow a municipality—and it had to be eight years; it couldn't be something done quickly. Right after a plan was registered they couldn't jump in and unregistered it. But after eight years with no land sold, or not much land sold, that gave them the opportunity to go in and say: "You're got to do it the new way."

**Mr. Haggerty:** As I say, it has caused problems for councils in the area, particularly in the town of Fort Erie. There's no doubt about it. This land was subdivided back in 1910 or something like that. It was going to be suburb of the city of Buffalo. There are 40-ft lots there; there are also some boulevards with larger lots. It was well designed years ago.

**Mr. Farrow:** There were hundreds and hundreds in Bertie township in some areas. I think many of them have been deemed in the past. There may be some that are just now being deemed, but I think there were some deemed many years ago, sir.

**Mr. Haggerty:** When I was on council a few years ago we did some of these things,

but then this was a block of farm land. Here, when you get into a builtup area—

**Hon. Mr. Rhodes:** Another reformed sinner.

**Mr. Haggerty:** I'm well aware of the problems, but this is in Crescent Park and it's a well-developed area. No doubt about it, they have their problems. They have sewers and so on in the area now, but it's just the idea that you ask a person to buy a home today and he has to buy a Cadillac where a Ford will do.

**Hon. Mr. Rhodes:** I'm surprised. I thought perhaps you might have gone the other direction on it and suggest that the eight years was too long to have somebody sitting on subdivided land, especially serviced land, waiting for the price to go up. I thought you might say that that time was much too long and that they should be required to build on it within a period of time, once the subdivision has been approved, to avoid speculation on the serviced lots.

**Mr. Cassidy:** Is the minister saying that people with subdivided land have an obligation to put it to market?

**Hon. Mr. Rhodes:** I was not saying that. I was just inquiring as to what Mr. Haggerty's position was. He seemed to be going in one direction whereas I have heard him speak in the other.

**Mr. Cassidy:** There was a socialistic tinge in the philosophy you were reflecting.

**Hon. Mr. Rhodes:** It was not philosophy. It was a question.

**Mr. Angus:** It was a socialistic question.

**Hon. Mr. Rhodes:** I must have picked it up from one of your comments!

**Mr. Haggerty:** The land in question was sold in 1965 at an assessed value of \$50 a lot.

**Hon. Mr. Rhodes:** At \$50 a lot?

**Mr. Haggerty:** In 1965; and many people bought them. It was a good opportunity for them. This is how they got developed. There weren't enough homes in the area; but that's what they were sold at.

**Hon. Mr. Rhodes:** They didn't build on them?

**Mr. Haggerty:** Yes, many of them built on them back then; but it's the further development of the area—at \$50 a lot, that's what they were sold for.



**Hon. Mr. Rhodes:** Fifty bucks!

**Mr. Haggerty:** Maybe I should have resigned from council and bought them all. That's all I have, Mr. Chairman.

**Mr. Cassidy:** Mr. Chairman, I'm a bit anxious to help the minister get out of these estimates before the end of May, because I'm hoping to go to Vancouver for Habitat.

**Hon. Mr. Rhodes:** Now, that's a very—that's not socialistic.

**Mr. Kerrio:** No way.

**Mr. Cassidy:** You know what the Bible says about the black sheep—eh, right?

**Mr. Makarchuk:** No.

**Hon. Mr. Rhodes:** What would you expect of Mr. Makarchuk? He says he doesn't read the book. He'll see the movie, though.

**Mr. Cassidy:** I put seven or eight questions just before we wound up, and these are the questions I want to conclude with on this part of the planning estimates.

First was a report on the Leeds and Grenville severance situation, which the minister had been looking at.

**Hon. Mr. Rhodes:** I plan to answer them in the order you gave them to me.

**Mr. Cassidy:** Yes, that's fine.

**Mr. Farrow:** The study that was done in the Leeds and Grenville area—I say a study—what happened was that several years ago we were concerned with the number of applications which were coming in, and there was some concern locally of what was happening.

We took a look at the area and, in our opinion, there were probably more consents than we would have granted in the area, following some of the policies which we use internally. But, we met with the committee and during the same period of time they were involved in the preparation of a new interim land-use consent policy.

After reviewing and advising the area that we were concerned with the numbers they were granted, they did come up with a new interim land severance policy, and we felt the best thing to do would be to give them an opportunity to follow their new guidelines.

In the past there were many land division committees, which are the consent-granting agencies for the province. They were granting more than what maybe we think should have been granted, but this is one of the local autonomy things which we leave to land

division committees. But we have given them an opportunity to live up to their new interim land severance policy, and if they follow that, then I think we're going to be satisfied with what they do.

**Mr. Cassidy:** Were there any irregularities that your investigation found in the way that severances were being awarded, or to whom they were being awarded?

**Mr. Farrow:** We didn't look into who was getting which one. We looked into it from the broad sense of how many lots were being granted in an area which might be construed as scattered residential development.

**Mr. Cassidy:** Has there been a sharp drop in the number of severances that have been granted since the introduction of this new policy?

**Mr. Farrow:** These policies are just very recent. So it's hard to really judge on any long-term basis.

**Mr. Cassidy:** The second question I had related to the 25-acre rule, and what change you are making in rural severance policies in order to stop the loss of farm land?

**Mr. Farrow:** This, again is in conjunction with the decision to have interim land severance policy. As you will recall, there was a policy statement made by the Minister of Housing which was a statement on the preservation of resource lands.

At one point in time we had a relatively simplistic approach that 25 acres or more would be okay anywhere at any time. We let it be known to municipalities that we weren't going to object to them creating lots of 25 acres, whether it was on the pretext of it being agricultural land, or just that it created a large enough parcel of land that raised the value, so that we weren't going to get too great a proliferation of them. That policy was followed for quite a while.

[3:45]

Then it was decided, when we looked at the concern that we had for resource land in general, be it agricultural land, quarry land or other things, that the requirement, which turned out to be a minimum in many cases, of 25 acres for a residential use, was not a good use of our resources. The policy, made by Mr. Irvine at the time, suggested the lot size should be left to the local municipality. The policy also suggested the lot should be a size which could be justified for the proposed use rather than the previous



requirement of 25 acres for a single lot in a rural area perhaps on good agricultural land.

If there was justification for a lot on good agricultural land, we would be just as happy if it was a half or one acre of land provided the size was sufficient for septic tanks, wells and what have you. That was the basis of moving away from the 25-acre lot regulation. This was also in conjunction with the interim land severance policies. It was our hope the individual counties, or areas, would come up with a policy of where and how many lots they should have rather than limiting it by the 25 acres.

**Mr. Cassidy:** What evidence do you have of the influence this recent decision has made on the way severances are being granted?

**Mr. Farrow:** We do know there are fewer 25-acre lots. The interim land severance policy is something the municipalities have been working on. Only two or three have been approved recently. There are another six or eight before us. They have not been as quick in producing interim land severance policies as we had hoped. It is a type of mini-official plan for the creation of rural lots, consent granting.

**Mr. Cassidy:** Have municipalities been tending to return to concession road sprawl or the kind of policy that existed before the 25-acre policy?

**Mr. Farrow:** Not when they've been putting it into these land severance policies. They've been trying to locate them around the hamlets or certain areas where they would have in-filling or recreational types of development where they could be justified.

**Mr. Cassidy:** Most municipalities don't have that policy?

**Mr. Farrow:** Not yet.

**Mr. Cassidy:** There is therefore real danger. I want to express concern about the situation which resulted with the change of policy.

**Mr. Farrow:** We felt it was better. If a lot was going to be created, it was better to have one of a size that didn't use up resource lands such as agricultural lands, recreational lands, quarry lands, timber lands, in fact any type of resource lands. We feel there shouldn't be a great number of 25-acre lots. If you get into many of the quasi-agricultural areas it didn't appear logical to sell off 25 acres to a son. If he was going to stay and work on the farm, he could stay and work just as well by owning one acre.

**Mr. Cassidy:** I sympathize with that, but I deplore the fact there are not other overall policies coming up in rural areas in order to supplant the abandonment of the 25-acre rule.

My third question was related to the ministry policy on the approval of condominium conversions. As I understand it, the ministry is refusing approvals if the municipality doesn't want them. I wonder whether there is an overall ministry policy beyond that responsive policy of listing with the municipalities.

**Hon. Mr. Rhodes:** That generally is the position we have taken. We feel the municipalities are in the best position to judge what the balance is within the community—the rental accommodation and the need for rental accommodation. Any application for condominium conversion would have to have the support of the municipality or it just will not be allowed to be converted.

**Mr. Cassidy:** Do you have anything to say to the municipalities in terms of what guidelines they should follow, as to whether they should refuse all or refuse some?

**Hon. Mr. Rhodes:** No, we have not given them guidelines. We said we feel they are in the best position to know what the stock would be in their own community, what the situation is as it relates to the available rental accommodation, and that they have a greater appreciation of the effect they would have on that stock of rental accommodation if they permit conversions. My experience so far in a number of municipalities has been they are taking that responsibility seriously. Certainly, the city of Kitchener is one good example where council is opposing the conversions in a number of requests that have come to them.

**Mr. Cassidy:** That is also the case, I think, in Scarborough and the city of Ottawa. I do fear that other municipalities, maybe some of the bedroom municipalities in particular, may decide tenants aren't such a good thing and therefore welcome conversion of these buildings to condominiums. I wonder what you do, particularly when looking at the situation within their own boundaries, when they in fact are part of a much larger overall housing market.

**Hon. Mr. Rhodes:** We've treated all municipalities the same. If you are referring to the boroughs in Metro, we have not made any distinction between the municipal responsibility of a boroughs as opposed to any other municipality such as Ottawa or Kitchener.



**Mr. Cassidy:** I think that to condone, or go along with, the conversion to condominiums at this time may affect the purchase side of the housing market. It poses grave dangers at the rental end of the whole market because of the squeeze it puts on accommodation. Very little is being built on the one hand and, apparently, developers want to switch a large amount of accommodation from rental to condominium. The number of rental units available on the market would actually be shrinking rather than expanding.

**Hon. Mr. Rhodes:** I find that comment interesting, because some of the information I have received indicates a number of property owners in the area are very concerned about whether or not they are going to be able to market the condominiums they have. The market is not that good for condominiums at this time.

**Mr. Cassidy:** Right.

**Hon. Mr. Rhodes:** I'm wondering why anyone would want to switch from rental to condominium if the bottom is dropping out of the market. It seems to me it argues against the position you just indicated to me.

**Mr. Cassidy:** Not necessarily. There is a two-tier market and there always has been. It's been exacerbated by the very increase in property values on ownership housing in the last couple of years. Therefore, a condominium apartment which is dropping in value may still be a lot higher than the value of the same property as a rental property. In other words, you have a \$20,000 apartment which you can market for \$30,000 even though you might have received \$35,000 six or eight months ago. That's still an attractive incentive. The developer may just want to get out of the rental market.

If there are conversions to be allowed, I would prefer to see encouragement of conversions into co-op and non-profit housing, as opposed to condominiums.

**Hon. Mr. Rhodes:** Of course. That's occurring as well.

**Mr. Cassidy:** That is occurring as well? That should be encouraged.

My fourth question was: How much do Mr. Berger, Mr. Hardy and Mr. Comay draw per diem for their work under the Planning Act review?

**Hon. Mr. Rhodes:** Mr. Comay receives \$400 per day for the period Aug. 15, 1975, to Sept. 31, 1976, not to exceed 137.5 days or \$55,000—I suppose that's meant to be Sept. 30. Mr. Hardy receives \$400 per day for

the same dates, in fact a day different, Aug. 15 to Sept. 30, not to exceed 85 days or a total of \$34,000. Mr. Berger receives \$400 per day from Jan. 6, 1976, to Sept. 30, 1976, not to exceed 62.5 days or \$25,000.

**Mr. Cassidy:** That's quite something.

With hindsight it now appears it would have been a hell of a lot cheaper if John White had taken the original offer, whoever it was he was going to hire, and let him go ahead with the Planning Act review two or three years ago. Is that correct?

**Hon. Mr. Rhodes:** I don't know whether Mr. White was offered anything or not.

**Mr. Cassidy:** He wanted to do it but he decided the money the planner, who I think may well have been Eli Comay, wanted, was too much. Back in those days it came in around \$200 a day and now it's up to \$400 or \$1,200 by the time you take all three of them together.

**Hon. Mr. Rhodes:** I can't comment, I don't know what the offer was of \$200 a day. I don't know whether there were any maximums applied or not. You can see the 1975-1976 expenditures were \$148,044.

**Mr. Cassidy:** How much will the Planning Act review cost overall? Have you a budget for the whole thing?

**Hon. Mr. Rhodes:** Yes, those two together will do it—\$358,744.

**Mr. Cassidy:** Altogether.

**Hon. Mr. Rhodes:** I don't know how that would compare with whatever proposal was made by Mr. Comay at the time he discussed it with Mr. White.

**Mr. Cassidy:** Probably double or triple, I suspect.

**Hon. Mr. Rhodes:** This would be double or triple?

**Mr. Cassidy:** I suspect so, yes.

**Hon. Mr. Rhodes:** I don't think you ought to deal with suspicions. Let's find out for sure, all right?

**Mr. Cassidy:** You can't lay my suspicions to rest?

**Hon. Mr. Rhodes:** No, I say let's find out for sure.

**Mr. Cassidy:** Okay. The review is needed. I've talked with them. They may come up with a fairly innovative kind of a job. I've



read the material, which takes their initial kind of clout at some of the issues, which is interesting. I wonder, if the minister is still around in this office, what he would hope to do once the Planning Act review report is presented some time in the fall. What do you intend to do in terms of amending the Planning Act, once this review is in? Have you got a timetable or projection?

**Hon. Mr. Rhodes:** I don't think I can give you a timetable. I think what we want to do is see what that review is and make it available to people to look at and perhaps get some substantial input from people who have a chance to study it. Then, whatever amendments are needed, can be brought forth. But I don't think I can give you a timetable on it.

**Mr. Cassidy:** Okay, if you wait for substantial input then it will be—

**Hon. Mr. Rhodes:** It will be a green paper and—

**Mr. Cassidy:** Mr. Hall and I will have the chance to bring the amendment forward.

**Hon. Mr. Rhodes:** Only if you bring them together as a team.

**Mr. Cassidy:** That wouldn't happen.

**Hon. Mr. Rhodes:** I'm sure it won't.

**Mr. Cassidy:** My next question was to ask for a status report on ministerial zoning orders.

**Mr. Farrow:** The number of zoning orders is 120 covering about 280 municipalities.

**Mr. Cassidy:** Can you give some indication of what kind of orders they are, how many have been brought down recently and why?

**Mr. Farrow:** Yes, sir. The greatest number and the ones that got the most publicity were the ones dealing with shopping centres which covered, I believe, 64 municipalities. They were orders put on to stop shopping centre, or commercial use in general, from jumping outside the urban municipal boundaries into rural areas.

Another type of zoning order which probably covers the largest geographical area is in some of the unorganized areas and around the new municipalities in the north. We have covered all the new region of Sudbury—new district of Sudbury—with zoning orders that didn't already have zoning bylaws. There were very few zoning bylaws in that area.

We also extended that coverage to a strip of unorganized territory outside the new district. This was by agreement with the district of Sudbury which wanted us to administer zoning right from day one, even though they didn't have the wherewithal to put it into effect immediately. We expect this to be taken off very shortly.

Timmins was done the same way. There are many other parts of the north where we have zoning orders on areas adjacent to some of the urban municipalities, not to try to stop the commercial zoning, but just to have control over development in general.

The other type of zoning orders that have been put on are those that affect special projects. We've been looking at the new town in the Haldimand-Norfolk area, for instance. An order there controls development until such time as further provincial decisions are made.

**Mr. Cassidy:** How many zoning orders have been taken off in the past year, approximately?

**Mr. Farrow:** There are three or four I can think of offhand that have been taken off, because municipalities have passed a zoning bylaw. As you are aware, we have staff and financial assistance to municipalities and they're advised of this right from the day we put the order on. We're prepared to work with them to assist them to get control at a local level, so that it does not have to be done by the province.

**Mr. Cassidy:** Thank you.

**Hon. Mr. Rhodes:** Not only have zoning orders been taken off, but just recently we have eased some of the restrictions on some of the zoning orders in other areas where we felt we could do that in those particular areas. One was near the city of Bradford.

**Mr. Farrow:** We are in the process—

**Mr. Makarchuk:** No, the township.

**Hon. Mr. Rhodes:** I say near the city of Bradford.

**Mr. Makarchuk:** But there is a freeze on the township.

[4:00]

**Mr. Farrow:** We're reducing or enlarging, as the case may be, the amount of commercial development that may take place without the need of an amendment to the orders. It started off very small and we're moving it up. I think the amount not requiring an amendment to the order went from 1,500



sq ft to 5,000 sq ft. There are numerous individual applications that are being considered. Each of these is, in effect, an amendment to the order.

**Mr. Cassidy:** My next question is related to municipal imposts. You, Mr. Minister, have raised queries, or voiced concern, about the imposts that have been coming down from a number of municipalities recently. What do you plan, if anything, to do about it?

**Hon. Mr. Rhodes:** At this stage I haven't got anything that I want to do about it. I'm hoping we can get some semblance of order into what is rapidly becoming chaos from my point of view. The municipalities have the authority, under the Municipal Act, to levy those imposts. It permits them to use any surplus cash generated as part of their general revenue.

**Mr. Kerrio:** Mr. Minister, do you see more justification for imposts on in-filling than on expanding subdivisions? They're being provided with services that are not being paid for.

**Hon. Mr. Rhodes:** If you're asking for my opinion, I think there's some justification for imposts where a particular development may cause a problem for a serviced area where, perhaps, there would be a need to enlarge the servicing in the area. If an apartment building was to be built in a particular area where it's going to put some sort of effective capacity on the pipe in front of the area, then I think there's some reason to charge perhaps so much per unit to take care of, if not all, at least part of the cost of putting in the larger pipe required.

I'm not saying there isn't a need for some impost in a new subdivision. I just question, in my own mind, the need for the extremely high imposts being charged by municipalities and then putting them into general revenues. In fact they are using this as a way of raising cash to provide other than the hard services in the community. I've said this before, and I say it again—I think it is being used by municipalities as a way of providing some of these facilities rather than having to raise the mill rate in the particular community.

**Mr. Hall:** How about accountability? This matter of capital impost fees which you have touched on, if you don't mind me interjecting, has concerned me. There's no accountability by the tax information given at the end of the year as to revenues, as to the amount of money earned in the capital im-

post fee, and how it is dispersed. Is this a general circumstance that you people are aware of, or just peculiar to the areas that I am aware of?

**Hon. Mr. Rhodes:** I think it's general because, as I indicated, the Municipal Act permits the levying of the imposts. They also are permitted to put any surplus money into general revenue. I think that's general and applies to any municipality that is presently charging the impost.

**Mr. Hall:** Generally, they do not even account for it at year-end?

**Hon. Mr. Rhodes:** I don't think there's any requirement.

**Mr. Hall:** To give them the power is one thing, but to state what their sources of revenue and disbursements were is another matter, it seems to me.

**Hon. Mr. Rhodes:** The Act provides that, hopefully, it would be spent in the general area where it's charged. I think the only revenue accountability would be in the municipal audit.

**Mr. Hall:** They can write and get permission to spend it on some pretty strange expenses from time to time, it seems to me. I'm not sure from what ministry they get permission.

**Hon. Mr. Rhodes:** I think one of the problems we have—and I think whatever ministry may be handling it, whether it's this one or whether it's TEIGA—the problem that you have, and we rather looked at that with some interest when we were discussing the \$1,000 per unit under the federal programme, is deciding when a large subdivision is built whether in fact a facility other than sewers or water lines is needed as a result of that new subdivision.

It is very difficult, to my way of thinking anyway, to say exactly what is related to housing. If that housing area which is developed creates a need for three or four new schoolrooms, could those three or four new rooms on the school be considered a housing need?

**Mr. Hall:** You don't think a municipality is going to turn such money over to a board of education, do you?

**Hon. Mr. Rhodes:** No, but I don't think they will.

**Mr. Hall:** Pick another example, Mr. Minister. I don't think that happens.



**Hon. Mr. Rhodes:** How about a fire truck?

**Mr. Hall:** There are these needs and there is justification for them but what disturbs me is the lack of accountability. I think it's a valid request to clear up what housing's needs are.

**Hon. Mr. Rhodes:** Again, though, I'd say that is rather—I don't fault your position as to accountability for, perhaps, seeing how much money has been realized by the municipality and what was that money expended for. It seems to me that is something which, perhaps, could be handled by municipal audit to show where that money goes rather than having it showing up as a surplus or whatever it may be at the end of the year and used for whatever purposes.

**Mr. Hall:** For my information—

**Mr. Makarchuk:** It all ends up in the same pot anyway. It is not that much of a problem. If they reduce their property taxes, they will get them on the education taxes. So what's the difference?

**Mr. Hall:** I think it is collected for a certain purpose—

**Mr. Makarchuk:** I wouldn't say it was collected for a certain purpose.

**Mr. Hall:** It is deemed to be collected for a certain purpose. The old rules were that it had to be used in the area from which the income was derived.

**Mr. Makarchuk:** I think the certain purpose is general government.

**Hon. Mr. Rhodes:** It really runs around in circles, doesn't it? If they use the money, for example, strictly for housing purposes, that frees money somewhere else which will be used to do other things so it is one dollar chasing the other.

**Mr. Hall:** I suggest to you that a point is reached where we're going to have to increase our capital impost fees because we're going to need trunk storms or some major thing like this. The justification is put forth and you would agree. Therefore I would also think it is fairly reasonable to see that that money does go into that trunk storm or is retained in a fund so the trunk storm can be put in.

**Hon. Mr. Rhodes:** Really, what you have to have there would be the approval—I suppose an amendment under the Municipal Act which would require the municipality to get approval for its impost charges on any particular subdivision.

**Mr. Hall:** That was really by way of a question. I am asking what ministry, if it's not yours, does have the say on it.

**Hon. Mr. Rhodes:** It would be TEIGA.

**Mr. Hall:** Thank you.

**Mr. Cassidy:** That's okay. Mr. Chairman, I have lots of other interesting questions but I'll let them pass for now in order to—

**Hon. Mr. Rhodes:** I'm not going to let you get by without me telling you about your sewerless houses. That's the one that intrigued me the most, frankly, and I have a little item—I have to put it in. There is a system presently in the testing stage known as the Canwell system.

**Mr. Cassidy:** The what?

**Hon. Mr. Rhodes:** At first I thought I was being put on, too. It is designed to eliminate the need for the sanitary sewers.

It will provide sewage treatment on a local level, resulting in the discharge of treated effluents, removing both phosphates and nitrates. The Canwell system, which is being sponsored by CMHC, provides: (1) effluent treatment in such a manner that it can be safely discharged into streams; (2) garbage incineration where heat is recovered to heat domestic hot water; one-half the required energy for domestic hot water will be provided by the system.

A pilot project is operating at the Ontario Research Foundation, treating the effluents from 150 persons. A demonstration project is currently being started in North York by CMHC and Cadillac-Fairview. The incinerator installation and sewage treatment process is expected to be operational by the end of this year. We are not involved in any great detail but we do have technical people involved in watching the whole thing as it is coming along to see how it progresses.

**Mr. Cassidy:** Now that you have looked through it, you mentioned at some point earlier the enormous costs of providing full servicing for lots in northern Ontario which are just wild—\$25,000 per lot or something like that—because you need to blast through rock. There must be certain situations like that and in hamlet development, in-filling and that kind of thing in smaller towns and municipalities of the province where these kinds of techniques could be very useful. It seems to me that there should be a lot more research being done into them in the ministry and between this ministry and the Minis-



try of the Environment. Perhaps Ontario should inform itself of the research which is being done both by the federal government and by other jurisdictions in Europe and in North America, because I can see a great deal of use for that in providing lots for housing much cheaper than is now being provided, when you look at the overall cost.

**Hon. Mr. Rhodes:** I think that is a direction that we should be definitely going in in more than one ministry. Certainly I think the Ministry of the Environment in particular should be looking for this type of thing. It seems to me that it is a major responsibility of theirs, being interested in the water-courses, the runoff and sewage treatment.

I have used this phraseology before and I use it again. I still don't understand why, in today's very technically competent world, we are still handling our sewage the way that the Romans did. We're digging a hole and putting a pipe in it. We haven't come very far in that system except for putting a very expensive plant at the end of the same pipe.

I completely agree and I would hope that this is the type of thing we will be studying more. If we are not looking at other jurisdictions where they are working on this and have made some progress, I think that we definitely should be. I only hope, if we're going into the European countries to look at this sort of thing, that we will not be severely criticized for going outside of our boundaries.

I don't know whether Canwell has wheels on it or not, Mike, but I remember some of your conversations and debates in the House about another project that I was briefly involved in which took us out of the country, which was a new—

**Mr. Cassidy:** You're very sensitive.

**Hon. Mr. Rhodes:** No, no. I'm not sensitive at all. It was a new technology. I'm the most insensitive guy in this room and you've said that before.

**Mr. Angus:** Mr. Chairman, could I just touch on the northern thing for just a moment? I'm not on the list.

**Mr. Williams:** I'd like to go back on the subject we were talking about for a moment, if I may—

**Mr. Cassidy:** I'm finished now, Mr. Chairman.

**Mr. Chairman:** Yes, well, it was following up on your answer to Mr. Angus and Mr. Cassidy.

**Mr. Williams:** —on the Canwell project.

**Mr. Chairman:** First we'll have Mr. Angus on the same idea.

**Mr. Angus:** On the weekend I just happened to be at the conference of the Un-organized Communities Association of North-western Ontario. One of the items they discussed at great length was the problem of sanitary systems and the number of options available.

I didn't realize this question was coming up, but they had three manufacturers there who had a display of three different styles of toilet facilities that are designed to use either propane or electricity. What I would like to do when I go back is put the information together and send it to you and possibly the next time I talk to Rupert Ross, the chairman, I could suggest that he get in touch with you directly. They've been looking at various aspects of this type of system and writing all over the world to find out as much as they could, because they realize that's the only alternative for a lot of the communities.

We did get into subdivisions and the Ministry of the Environment was there. They talked about some of the problems that exist in terms of deciding to build a subdivision with self-contained units.

**Hon. Mr. Rhodes:** I don't suppose I should attack anyone, and I'm not going to attack anyone, but I'm going to tell you this: I would be most grateful if the Ministry of the Environment would take a very serious look at something other than digging a hole and putting a pipe in the ground. Up until now, I'm not too sure whether there has been serious consideration given to looking at this sort of method and approving it to be used in areas such as those you and I are familiar with, and others. But when you get a figure like \$27,000 to service a lot in a community like Red Lake—and just on the weekend, someone told me that it's going to cost \$15,000 to service a lot in Elliot Lake—then I really have to wonder what sort of a situation we're into and how we're going to overcome those high costs. This is a way to do it.

**Mr. Cassidy:** I'm glad your interest has clearly picked up a lot since last Wednesday on this particular subject.

**Hon. Mr. Rhodes:** My interest has picked up because of that very interesting question



and you tried to duck it. I don't understand it.

[4:15]

**Mr. Williams:** Mr. Chairman, on that project, for your information, the Canwell project in North York will probably prove itself to be an exemplary pilot project, showing what can be achieved through a joint venture by the private sector working with the government. The project in North York got started through the initiative of the Ministry of Health and the local board of health in North York—of which I was chairman at the time—and the project has been moving forward with those two agencies working very closely together on the project and with the co-operation of the private development company involved as well. I think this probably will be a very significant testing ground, and the results of that project will probably have far-reaching implications if it proves as successful as they hope it will.

**Hon. Mr. Rhodes:** Just before we leave that, I am concerned about one thing. I would assume that the project that Central Mortgage is carrying out in conjunction with Cadillac-Fairview is on a rather large building.

**Mr. Williams:** Yes, it is one apartment building.

**Hon. Mr. Rhodes:** I don't know how many units are in it.

**Mr. Williams:** I think there are about 200 or 240 units.

**Hon. Mr. Rhodes:** Fine, then what I am wondering about is whether or not this same sort of technology they are talking about here, or new system, might be applicable to the single-family unit. That's something I think they are going to have to find out.

**Mr. Williams:** Certainly this particular test will determine what the economics of it are in trying to relate it to the single-family unit; no question about it.

If I might go back for a moment again on the sewage impost issue: there is no question that it has in the past proved to be a way and means of deriving, in effect, additional unanticipated taxes, and of course the courts have proved the validity of that process even though it was something that was not involved in current tax levies per se. I guess it was the Ottawa case that made that determination that the municipalities had the authority to impose the sewage impost charges.

Again it is the old question of the wheel spinning and it comes back to the concerns I was expressing the other day, that while it may assist municipalities in getting out of an immediate financial bind, ultimately the additional cost does not wind up on the developers' or builders' lap; ultimately it is borne by the consumer.

A recent example was brought to my attention of a municipality not far from Toronto where, again, it was a condominium project and the local municipality had extracted considerable sums of money through various levies under the Planning Act, and through impost and so forth, and the particular builder had not anticipated these costs. The straw that broke the camel's back was that the municipality was on the verge of releasing the condominium plan and decided it would make a further extraction in the form of an additional parts levy over and above that provided for in the Planning Act.

The builder could have taken one of two alternatives: either make the additional payment or challenge it in the courts which is of course, futile, in that you might spend two or three years in the courts in fighting it and in the meantime you are sitting on your undeveloped land. So the builder, on a very small project of no great significance, maybe 20 or 30 units, paid the additional substantial levy, but it has affected the ability to compete in the area for sale of condominium units because of the levy that was arbitrarily imposed by the local council and may not have been imposed on other similar types of condominium projects, current projects in the immediate vicinity. He could no longer be competitive, and yet felt he had to build that additional cost into his sale price, thereby aggravating the difficult real estate market again. It is difficult to really come to grips with this so long as the municipalities assume they are getting at the builders and the developers in imposing a never-ending list of additional charges against them, because it's really the consumer who winds up paying. I think this message hasn't been brought home thoroughly enough to the local municipalities.

**Hon. Mr. Rhodes:** There are perhaps three points I'd like to make on that one. One of the things is when the developer is charged the impost costs, he obviously puts them right into his total sale price, so the home buyer really doesn't know what he's paying for those services. Perhaps if he did he might have more to say about the type of servicing.

The other is that the funds generated by the imposts are added to the general revenue



and the new home buyers are helping to finance improvements in other parts of the municipality. I really wonder whether that's equitable.

The third one is the one area, I suppose, where the municipality does thump the developer a bit. That is when they have a cash impost paid at the time development goes ahead, on condominiums in particular. They have paid the cash impost and started to build; they get them built and they go to register the condominiums but during that time the municipality has decided to raise the impost. They say to the owner of the building, "You cannot register those until such time as you've paid us this difference in impost" which may be X dollars per unit.

He may have already sold those condominiums; his sale price is established. Yet that added cost comes right on to the top of the total development. Somewhere along the line somebody is going to pay for that. It may not be in that building but it will be somewhere else.

**Mr. Williams:** That particular example involved that type of situation. It created considerable significant inequities to the point where this particular small builder felt he had to leave that municipality. He couldn't be subject to those kinds of hazards in the future and has taken his small building trade elsewhere.

**Mr. Godfrey:** May I ask, following on that comment, in the situation you've just outlined, suppose the municipality charged one impost fee and then the region or something comes along and say they want more? What is the solution to that problem? Do we have to take that to court? Is there anybody who can judge? Is there anybody who can short-circuit and get these things registered?

**Hon. Mr. Rhodes:** The only thing that can be done would be to take away from municipalities their authority to charge the impost along the lines they are doing, which would require an amendment to the Municipal Act.

**Mr. Godfrey:** I can see that, but as it is now, I have about six of those situations in my riding alone. The persons have bought their condominiums in good faith but they cannot get it registered because the municipality and the region are thwarting them.

**Hon. Mr. Rhodes:** The only other way would be a condition that I suppose this ministry could handle—make it a condition that the levy be that which is levied at the

time the building permit is issued and nothing beyond that.

**Mr. Godfrey:** Then the region, which is the case in Durham, would not be able to say, "We want more money." The builder, in all good faith, has said, "This is the levy and that's that," and he's built his house to that cost. It seems unfair that a region can come in for a very good reason and say, "We want more money." A bargain has been made and then it's broken.

**Hon. Mr. Rhodes:** That's correct.

**Mr. Godfrey:** I take it you would tend to side with the municipality—it is a fight between the two—and be on the side of the tenants and say the municipal impost should be the going rate and region should not come in.

**Hon. Mr. Rhodes:** Regions have the same rights under the Municipal Act to charge an impost and under their own regional Act. I'm suggesting there may be a method of handling that by permitting only that levy which was charged at the time the building permit was issued. It could be regional as well.

**Mr. Godfrey:** You're more reasonable than the region is, I'll tell you that. Thank you.

**Mr. Kerrio:** I have a couple of comments on the most interesting subject the minister raised with Mr. Cassidy in regard to this particular aspect of sewage treatment. I only wanted to bring into focus something which I've seen very recently become somewhat of an answer to the problem. The State of California has decided that in the next five years treated water is going to be on a quota basis and that will attempt to force the industry to produce equipment that will rationalize where we've gone in the wrong direction in treating millions upon millions of gallons of water at one end, and at the other.

I notice with interest that in answer to this particular quota system, they're going to put into effect, within the next four or five years, giving people time to develop methods of treatment, that the State of Israel has found itself in the same position because of difficulty of treating water. They have, in fact, made great progress in this field and they have made a proposal to California.

The part that interests me is that it would follow more in line with the system that we have in place now. They're looking at systems that will use considerably less water. This may seem like a small factor in housing



but it's grown in such proportion that municipalities have seen fit to put a surcharge on the water used to provide sewage treatment at the opposite end and they've gone at it the other way.

California has now decided it is going to put treated water on a per capita quota basis. They will be given a reasonable length of time to institute this particular new concept, if you will, and by treating the treated water on a per capita quota basis, that will take care of it from there back.

I thought for those people who are interested, in your ministry, it is an area where they are developing expertise in this field and it may be well worth enquiring about.

**Hon. Mr. Rhodes:** I have a choice. Either I go to California or I go to Israel.

**Mr. Kerrio:** Go to both.

**Hon. Mr. Rhodes:** You've talked me into it.

**An hon. member:** One-way ticket?

**Mr. Cassidy:** Just don't do a test run at the CNE, that's all.

**Hon. Mr. Rhodes:** Canwell, you mean?

**Mr. Cassidy:** Yes.

**Hon. Mr. Rhodes:** Not a bad thought. Close to the horse palace.

**Mr. Hall:** Just a couple of quick points. Some two weeks ago I raised a point about the Niagara Escarpment hearing officer and the problem in my area where the ball seemed to have dropped among all the fielders, in connection with the right of appeal when they didn't get notice of when there was to be an opportunity to appeal?

**Hon. Mr. Rhodes:** Yes.

**Mr. Hall:** There has been some ongoing discussion about that, not with you directly but with others. In my local paper, issued last Wednesday, the headline was that the Attorney General (Mr. McMurtry) was going to jump in and solve the problem. I haven't heard anything directly myself on the subject since then and I wonder whether you could bring me up to date on it?

**Hon. Mr. Rhodes:** I'm afraid that that comes as a bit of interesting news to me. I didn't know the Attorney General was going to be involved. As I said, frankly, in this area it is a matter that would be handled now by the Provincial Secretary for Resources Development (Mr. Irvine), in whose area of re-

sponsibility the Niagara Escarpment Commission is. I fully understand and appreciate the problem that you've brought forth. I think it's a valid one. But it would mean a necessary change in the Act in order to provide for a longer period of time for the right of appeal and in order to direct the notices to be sent out. It simply requires a change in the Act. I don't have the Act in my ministry.

**Mr. Hall:** No, but the appeal process is in your ministry. Mr. Farrow, you look rather questioning. Young is the injured party, supposedly, and it has to do with property on the Ridge Rd. West in Grimsby.

**Mr. Farrow:** That is the one that had the house built in behind?

[4:30]

**Mr. Hall:** Approval was given without the neighbouring people being aware of an opportunity to appeal to the Niagara Escarpment Commission hearing officer.

**Mr. Farrow:** They were farther than 400 ft away?

**Mr. Hall:** No, they were not. It's directly behind them and immediately adjoining this property. I've had conversations with Mr. Coffin and others, of course, but I'd like to be posted on it. This is really what I'm saying.

**Mr. Farrow:** Yes, sir, I will check it. The last I heard was that you were speaking to Mr. Coffin and that he was going to look into it a little further and get back to you.

**Mr. Hall:** That's right, but in the meantime I go back home and pick up my newspaper, and Mr. McMullin has made statements—and so on and so forth.

**Mr. Farrow:** On that specific application?

**Mr. Hall:** I guess in response to a reporter's questioning; yes.

**Mr. Farrow:** If you'd like, I'll check into that and get back to you.

**Hon. Mr. Rhodes:** We will certainly keep you advised.

**Mr. Hall:** I feel it is a point for real concern for the administration of the Act.

**Hon. Mr. Rhodes:** Just one point: From my point of view, the only time that I get involved is at the time we deal with the appeal and after the appeal officer has dealt with the appeal and files his report with us. So, whatever the procedures are before that—if they



can be streamlined and made more effective and can assist you and your constituents, by all means go ahead.

**Mr. Hall:** Mr. Minister, if everything was handled the way this particular instance was handled, there would never be any appeals—because nobody would ever know how to appeal. This is my concern.

**Hon. Mr. Rhodes:** It is up to them to—

**Mr. Hall:** And you have one of the smoothest sections, the smoothest wing of your whole ministry there.

**Hon. Mr. Rhodes:** I tell you there is something going on there, because somehow or other there's a whole lot of those appeals slipping through; they're ending up piled up on my desk lately.

**Mr. Hall:** I'm sure you'll tighten it up. In this general topic of the community planning programme, the whole vote of 2002, specifically item 4, we should almost have a chartered accountant with us, it would appear to me, to trace the money flow. I believe you say that the local planning policy section was transferred from TEIGA in October, 1975. If you look at G.60 in the general page for 1975-1976 estimates under Ministry of Housing, you have a total for your 1975-1976 estimates of \$34,609,000. Now, we get the 1976-1977 estimates and have apparently what was \$36,193,100, and you're showing \$35,102,000.

It looks as if you're cutting back, but if you got back the original numbers, you're actually close to \$500,000 more than the estimates provided last year for the Ministry of Housing—particularly the section on local planning policy, which was not an item under the community planning programme last year.

I can understand the transfer, but in your internal notes on this section you say that on "internal transfer of administrative costs among programmes and activities, these adjustments amount to zero for the ministry as a whole." That doesn't quite agree with the numbers that I see.

**Mr. D. S. Campbell:** I don't have the information for last year's estimates here. But if you give it to me, I think we can reconcile it—if not today, we can have it for you by Wednesday.

**Mr. Hall:** The local planning item was transferred from TEIGA, by your notes.

**Mr. D. S. Campbell:** Right.

**Mr. Hall:** However, you go into TEIGA and it doesn't jump out at you as a single-line item at all. There's no word to describe that function in the TEIGA estimates. So, as I say, it's very difficult to keep track of the flow-back, particularly when you say in your notes on page 80 that "adjustments amount to zero for the ministry as a whole. Maybe you mean within your ministry but not in and out of other ministries.

**Mr. D. S. Campbell:** That's quite correct, yes. Within the ministry, and not in and out of other ministries.

**Mr. Hall:** How can we assume as valid, then, your figure of 1975-1976 estimates, say, on page 79 showing as \$36,193,000 and your proposals to spend \$35,102,000. It looks as if you have saved \$1,091,000. It looks like you have saved that amount until you compare it with a year ago when, it would appear, you are spending \$500,000 more. It's probably an accounting and entry problem.

**Mr. D. S. Campbell:** We definitely can provide the information by Wednesday, but we don't have it all specifically here at this point in time. One thing I might mention to the member is that going to pages 10 and 11 of the material we have provided may provide a partial answer to his question.

**Mr. Hall:** I'll look at that by Wednesday, too. It's there somewhere. There are a lot of numbers on pages 10 and 11.

**Mr. D. S. Campbell:** We'll provide a specific answer for that on Wednesday. The main problem is in TEIGA's estimates for 1975-1976, local planning policy was not broken out as a specific item which you could identify with some other activity, so to speak. We would have to provide that specific reconciliation.

**Mr. Hall:** Yes, I appreciate the problem. I know vote 1 is passed but, just by way of example, a year ago you had \$270,700. Then you show \$413,300 as what it was last year, and show \$407,700 as your administration costs this year. Again, it looks as if it went down when, if one was just to compare last year's number, it has gone up from \$270,700 to \$407,700, an increase of \$130,000. It's the same sort of problem.

**Mr. D. S. Campbell:** The specific answer to that, Mr. Hall, is on page 13 of the material that was provided earlier. It is "reconciliation of statement by activity," where it picks up 1975-1976 estimates as \$270,700, and indicates certain transfers to get to our \$413,000.



**Mr. Hall:** I am sure you understand it, it's just a little difficult to grasp and see how it is flowing when we don't relate back to last year's numbers. I'm sure you are making an attempt to account for it.

**Mr. D. S. Campbell:** It all balances, I can assure you. We will give you a specific answer on local planning policy on Wednesday.

**Mr. Hall:** That's fine. On items 2, 3 and 4, I don't have any more points. I have to leave now. I'm happy to proceed with the vote.

**Mr. Chairman:** Is there any further discussion on items 2, 3 and 4? Items 2, 3 and 4 agreed to. On item 5.

**Mr. Cassidy:** Mr. Chairman, on item 5 I wish to speak briefly. I wanted to ask the minister to comment a bit more fully on the downtown renewal programme which flows out of the Barnard report. I have asked for a copy of the report which I am afraid I haven't had a chance to look at up until now.

In the minister's opening statement on pages 3, 4 and 5, he talks about the conversion to residential use of space above stores, and the conversion of large single-family dwellings into rental units. This would cover such areas as, say, Queen St. or College St., east or west of the core of Toronto I would imagine, where you have older business districts and conversion is workable. Then, on page 5, he says the initiative of the downtown renewal scheme is designed especially to help small municipalities. The aim is to encourage these municipalities to facilitate key revenue producing development. The emphasis is on encouraging sound business development. He talks about the rehabilitation of existing revenue-producing buildings.

I'm confused. If I could just conclude, my confusion is this: The urban renewal scheme that the federal government had back in the 1960s, for various reasons, got turned into a business sector business incentive renewal scheme in many cases, and that was one of the reasons why the federal government pulled out of urban renewal. Are you getting into that again and, if so, do you realize it, or is it something else that you have in mind?

**Hon. Mr. Rhodes:** First of all, let's separate the two. One is dealing with the OHRP programme, extending it into the rental area, which is the provision of OHRP money for the purposes of providing rental accommo-

dation in some of these areas. Now, it would not apply to that area, as you suggested, in downtown Toronto. That is, we want to keep it for the smaller communities of 125,000 or less.

On that same programme, to make sure we have a control over it, when we enter into agreements with anyone who, say, is converting those units for rental purposes, and we're putting this money into it, we therefore want rental agreements with the landlords to have a control on what rents are going to be charged for those units that are created as a result of the second-floor conversions or the conversion of existing units where they can be done by bylaw.

**Mr. Cassidy:** That will go on well past 1977, though. This isn't related to rent review at all, these rental agreements?

**Hon. Mr. Rhodes:** Oh, no. This will go on as long as we feel that public money is being used in these areas and we should have some control over what is being charged to make these units available to people who will be renting them.

I'll let Jack Brown discuss the downtown renewal programme. He's been involved and it's his favourite subject. I think that you'll find it is a little different from that federal urban renewal programme.

**Mr. Brown:** I guess first of all a lot of people would not particularly agree that the former renewal programme of 1964-1968 was really that bad; it helped some of the communities very greatly, particularly in the blighted, stagnating, dying cores. If there was anything wrong with it, it was open-ended; there were literally no controls, it was a 25-cent dollar and attracted a lot of attention. The problems that were associated with the cores—not just the retail mainstreams—the hearts of communities, particularly the small communities, have been with us ever since 1968.

After waiting some time for the federal government to come up with some kind of renewal aid which eventually developed into the neighbourhood group programme—a very helpful programme in neighbourhoods—the province undertook a study and evaluation of the 1964-1968 programme and an analysis of the needs of the future of small communities. A result of that was the Barnard Report, which I believe you requested, sir. I wish I had known; I could have sent one over to you.

The report conveyed some very helpful recommendations but in light of limited re-



sources, in light of constraints, in light of fiscal responsibilities—Mr. Minister, I think I can use that term—the present programme outlined by the minister is not an open-ended runaway. It does aim to help the smaller communities with core problems and, at the moment the details of the programme, eligibility criteria, selection criteria, the drill, if you like, are being developed by a core committee consisting of appointees from the Provincial-Municipal Liaison Committee and our own staff.

**Mr. Cassidy:** How much money do you intend to put into this downtown renewal scheme in this current fiscal year?

**Hon. Mr. Rhodes:** Half a million dollars.

**Mr. Cassidy:** So right now it's peanuts?

**Hon. Mr. Rhodes:** That is correct. We just got this thing starting to move. We don't know what the reaction is going to be from the municipalities on this and although there have been a number of municipalities that have indicated interest, we really want to have a chance to get the criteria together, sit down and discuss it with them. Some may decide that they're really not interested in the programme at this stage. So you're right, there's peanuts in it for this year.

**Mr. Cassidy:** Is there any loan money which is levered by that \$500,000? Or is that \$500,000 the total amount of money that will be available for this downtown rural scheme?

**Mr. Makarchuk:** It's for administration probably.

**Hon. Mr. Rhodes:** That's the total amount for this year.  
[4:45]

**Mr. Cassidy:** That includes the money that you may advance on loans and grants in the current year. Is that right?

**Hon. Mr. Rhodes:** No, this is primarily for some of the studies that will be required in the area. Some of the details will have to be worked out in the municipalities.

**Mr. Cassidy:** The chances are, though, that you will not be making many loans, if any, this year?

**Mr. Brown:** Possibly a few, Mr. Minister. There are two or three municipalities that have, over the years, done everything they could to help themselves with their problems. They can make use of the programme if they meet the eligibility and selection cri-

teria. They could participate. There is only so much money, though, so—

**Mr. Cassidy:** Just to conclude on this particular vote as far as I am concerned: I would hope that if we meet again in six months or nine months on estimates, that we can have a full debate on the question of renewal and NIT and RAP and OHRP and all the rest of it. I don't think there is time this year. I'd like to get into it more deeply at that time because I am not happy with what the province is doing and there is some dearth of information—

**Hon. Mr. Rhodes:** I think you can be happy with what the province is doing. You will find, I think, if you inquired of the municipalities that are involved in these programmes, that certainly the OHRP programme has been a very successful programme and very well received in the municipalities and well applied. I can't say the same for RAP and that is not meant to rap the federal programme at all. It has not been very well received.

**Mr. Cassidy:** There have certainly been enormous complaints about the way the feds have dealt with RAP and the slowness of the programme and the kind of red tape in which it has been entangled.

**Hon. Mr. Rhodes:** Yes, and I think there has been a fair amount of overlap involved. We would like to eliminate it, so we will be quite happy to debate that with you.

**Mr. Cassidy:** The third thing, of course, is the adequacy in terms of whether, given the housing stock for the province of a couple of million dwellings and the rate at which they tend to deteriorate, whether a programme of \$15 million or so is sufficient or whether the province, as part of its commitment to maintaining the housing stock, shouldn't be doing more.

**Hon. Mr. Rhodes:** As you say, I think we could have a very interesting and very fruitful debate in this room or another room on all of those programmes. I would be quite happy to get into them.

**Mr. Hall:** I am concerned and really disappointed in connection with the Ontario downtown revitalization programme when you tell me there is only \$500,000 this year. I read this with great interest because I have several small towns in my riding which really do need something like this. It is a bad situation in a lot of small towns in Ontario and to read this would certainly give them hope.



There are discussions and concerns ongoing right now where these municipalities may have to make some very major decisions for them. It sounded like the answer to a maiden's prayer but if you only have a half-million dollars in this budget, it is not going to be very fruitful for them this year. Is there any hope for a change in that?

**Hon. Mr. Rhodes:** This is a cash-flow figure for this year and our programme is just getting started. We are not going to accomplish an awful lot this year. I think we know that and the municipalities know that. Mr. Brown pointed out that in some communities, where there has been some advance work done and they have made substantial progress, we may be able to advance some money in the way of loans. But let me say to you that it is not intended that this is only to appear here as a half-million dollars to do some studies and get material put together. This is only the beginning of the total programme and a much more substantial commitment will be made in this programme in future estimates. I can assure you of that.

The purpose is to see that this programme is started. We haven't had any of this. I know many municipalities of the size that you and I are interested in want to take part but we don't want them to go into it blind and neither do we want to go into it blind. We want to discuss it with them and see what their needs are going to be and how much money really is going to be needed in the future. I think you are going to be talking, probably, in the next few years of \$25 million to \$40 million.

**Mr. Hall:** Unfortunately, I often have to relate to local circumstances in the town of Grimsby. Two or three years ago they acquired a site for a new town hall. It is quite likely that site will be outside what is now going to be the new urban area service boundaries because there were no such things at the time and there are all sorts of amenities right in the area where they bought the land.

In terms of trying to stop the spread of commercial activities in the town, they want to work back to the centre core and to improve the facades of buildings and so on and so forth. They are going to have to make some pretty hard-nosed decisions at this time involving a lot of future trends.

**Hon. Mr. Rhodes:** Not the least of those hard-nosed decisions which have to be made are those for the general area—not only one particular town but the general area—to be

cognizant of the fact that they do not help at all in the revitalization of their cores—

**Mr. Hall:** That is right.

**Hon. Mr. Rhodes:** —by permitting large shopping centres to develop on their fringes.

**Mr. Hall:** This is the problem. We face another local problem now in that Mr. Bill Archer is doing a Niagara region review study and has actually suggested the amalgamation of certain boroughs. I certainly don't want to see a proliferation of town halls if we are going to be going in the other direction on that count. To help, would it be possible for me to get additional copies of this book which was just handed to me by someone—I wasn't able to see who did it—but I appreciate it. I asked for it before.

**Hon. Mr. Rhodes:** Sure.

**Mr. Hall:** If I could put these in the hands of the different municipalities I am concerned about, I think this would be of some assistance to them.

**Hon. Mr. Rhodes:** We can give you more copies of that as long as you are aware that some of the recommendations in that particular report are not exactly what we are going ahead with in our programme. We haven't considered Mr. Barnard's recommendations as 100 per cent.

**Mr. Hall:** What I want to do, to assist him, is give him as much lead information along the right track for the future as we have access to.

**Hon. Mr. Rhodes:** We will make those available to you.

**Mr. Hall:** I would appreciate it; fine. Thank you.

**Mr. Makarchuk:** On the same programme, I trust this is not something like one of these fly-by-night operations, like the last federal downtown renewal programme which raised expectations in a lot of communities. A lot of money was spent for consultants' reports and everything else which eventually became redundant and it was a very sad experience.

Speaking for my own personal community, I guess people from Brantford have been involved or have been talking to you and I gather also you are prepared to discuss downtown redevelopment with private developers. In this case you have held discussions, as I understand.



**Mr. Brown:** Yes. As a matter of fact, three very helpful meetings which we had following the former minister's instructions to develop a practical and fiscally responsible programme were with some pretty top people in the private sector. Eaton's, Simpsons-Sears, Hudson's Bay, Cadillac-Fairview—

**Mr. Makarchuk:** J. J. Barnicke as well, I presume?

**Mr. Brown:** Yes, Mr. Barnicke was there. At the very first meeting, they were about to take our heads off because they thought it was completely anti-shopping-centre legislation; at the third meeting they understood it wasn't. It did give the cores some competition with the possibility of shopping centres.

**Mr. Makarchuk:** At this time, I gather, from what you and the minister said—despite the fact that some projects may be in a reasonably advanced stage of implementation or they could start working toward some form of downtown renewal, not necessarily on a mass basis but they could start a project which eventually will fit in to an overall scheme for the area, as far as funding is concerned—it is still very much an “iffy” situation, isn't it? Is that correct?

**Mr. Brown:** Did you say an infant—

**Mr. Makarchuk:** No, an iffy situation.

**Mr. Brown:** Yes. I guess the “iffiness” is in terms of what we come up with on selection criteria. Here again, I think really what is wanted is a nice set of criteria that won't stymie but will meter the demand for the limited amount of funds at this point in time. But it is there. I would be willing to bet, sir, that by the end of March, 1977, there will be a hole in that \$500,000.

**Mr. Makarchuk:** There will be some programmes announced by that time.

**Hon. Mr. Rhodes:** I just want to make a comment on the comparison of this with the federal programme. One of the things about this that I like stems from my experience with the federal programme. The difficulty with that programme is in order to participate in it—you may well have had some experience yourself—is that you had to designate such huge areas of your community as a renewal area that you stymied anyone in that area from attempting to move their property or improve their property. There seemed to be the bulldozer syndrome that renewal meant go in, knock down everything within sight

and start from the bare ground and work up. It was a long slow process.

In my own community we got into that programme right back at square one. We are still in that programme, carrying on under the various phases of it, but it took a large, large section of that city and put a great big cloud over it as to what was going to happen.

This isn't going to do that. This is going to confine itself to what the municipality feels it can handle, as opposed to being required to take a great swath out of their area, and what they can handle financially. Because they are going to have to participate in it financially and at the same time they are going to have to be in a position to realize that the province will recover part of its investment from the increased revenues they may realize as a result of the improvement of the assessment ability of the revenue-producing properties.

I think it's got a lot going for it. We are the first to admit that \$500,000 really, by my way of thinking, is to indicate that we are interested in this programme. We want to put some money into it this year to start with the study, and it is not just going to be a fly-by-night scheme, as you suggest. It is going to be a continuing programme.

**Mr. Makarchuk:** I am glad to hear that, Mr. Minister. I think the philosophy of downtown renewal is changed. I think the philosophy in the past was that you make the downtown look like suburbia. The idea was that you go in there, tear everything down and put in a brand new shopping centre in the downtown area; that was the intent. I think that people realize that that is not necessarily the wisest thing to do. From what I understand—from my municipal people and the discussions I have had previously on downtown renewal—certainly the concept is different.

I just want to go back to OHRP; you said that money will be allocated under that programme for rental conversions above businesses and stores, etc. Is this going to be extra funds supplied to the city over and above the per capita grants that are currently available? And when is this programme going into effect? When can the cities take advantage of this programme?

**Hon. Mr. Rhodes:** Just as soon as I get that amendment through the House.

**Mr. Makarchuk:** That's coming up, is it?

**Hon. Mr. Rhodes:** Yes.



**Mr. Makarchuk:** In this session before we—

**Hon. Mr. Rhodes:** The bill has been introduced.

**Mr. Makarchuk:** I see. I haven't really looked at it. How much money will be involved in this and how would you fund the various communities? On what basis would the funding be advanced to the communities? On a per capita basis, or what?

**Hon. Mr. Rhodes:** We've got \$2 million. That's the amount of money we have in this right now. How are we going to fund it?

**Mr. Brown:** Again, we are working on that, sir, in terms of criteria and selection. We haven't got that worked out completely. We are working with municipal liaison committees again. I would hope within the next month these details will be available.

**Mr. Makarchuk:** So at this time it is not there. Okay, that is fine. That is all I have, Mr. Chairman.

**Mr. Kerrio:** A question in regard to the home renewal programme in the budget. We have a little discrepancy in the figure there, where it shows the provincial contribution for 1976-1977 of \$13 million and in the estimates it seems that that figure is \$15 million.

**Mr. D. S. Campbell:** The difference is the \$2 million for rental accommodation.

**Mr. Kerrio:** I see, it wasn't shown in this area here.

**Hon. Mr. Rhodes:** That is actually the \$2 million, under the rental.

[5:00]

**Mr. Kerrio:** Right. The one area that I would like to discuss just for the moment is in the NIP programme. As of May 14, 1976, I had some correspondence from our renewal co-ordinator. It was in regard to the subject that I was talking to you about.

The problem is the actual transfer of the funds for the programme. As for the participation of the federal government in this particular instance, the federal funds, or the funds from CMHC, were received on Feb. 26, 1976. The expectation of the cheque is one that leaves them in a position that if they want to go on with the work, they have to do some financing.

This leaves the municipality whereby it must pay the contractor with borrowed funds or with funds that are in short supply, all because the province doesn't issue its cheques within a reasonable length of time. It seems,

as far as the provincial government is concerned, that it has some circuit to go through for approvals, as opposed to the federal funds. The community renewals branch suggests there are three different government branches involved before the cheque is issued. This is the question I would like answered if you can. The comment here is that very possibly something could be done to speed up this particular aspect of that programme.

They were also questioning whether there was any possibility in the future of this fund being expanded, or is this per capita quota considered adequate, or is it going to be stopped?

**Mr. Brown:** There is currently an evaluation exercise going on which will be finished by the end of September, at which time there will be recommendations to the government as to whether the per capita formula was adequate and whether the programme should be extended another three years or more, which the government will consider in its wisdom and decide. But it's very much under study and a lot of requests have come in.

**Hon. Mr. Rhodes:** As far as the money flow is concerned, we really can't make any move ourselves until it is determined what moneys will be available from the federal agency, CMHC. Central Mortgage and Housing Corp. is a fund-distributing agency. I wish it would stay that way. There seems to be a move by some people in CMHC that they'd like to do more than that since the advent of their new director. However, if they would stay as a funding agency, they would do a good job at it. They can hand the money direct from their branch office to a municipality.

Our system does have a couple of other little checks and balances, if you will, and it is slower. There's no question about it. Our money is slower in being delivered to the municipalities. I haven't really given any consideration myself, and I don't know whether staff has, to trying to find some way of speeding that up yet.

**Mr. Kerrio:** The timing is very important and the season is on. I do think it reflects somewhat in the sector that's looking at pricing and I think having the funds available would be a very important matter in carrying on the programme successfully.

**Hon. Mr. Rhodes:** If you think you've got seasonal problems in Niagara, you ought to come on out to my place.

**Mr. Kerrio:** I can appreciate that.



**Hon. Mr. Rhodes:** We have six months of winter and six months of poor sleighing.

**Mr. Chairman:** Item 5 carried. On Item 6, Townsend community development.

**Hon. Mr. Rhodes:** Mr. Chairman, we've had some discussion on the Townsend community development. I'm wondering if any more discussion is expected or if otherwise we can move on to North Pickering or deal with both items 6 and 7 together. I see Dr. Godfrey. I am sure he wants to discuss North Pickering. I am wondering, if there is no further discussion on Townsend, if we can carry that one, and move on to North Pickering at this time?

**Mr. Makarchuk:** We are still with the Townsend site. I spoke to the Treasury, and suggested that they give you that report, and send it to your ministry. They promised they will do it by courier service.

**Mr. Chairman:** Is item 6 then carried? Item 6 agreed to. Item 7.

**Mr. Godfrey:** Mr. Minister, when we last had a few words with regard to this subject, and reading over the last minutes, I was interested that we are meeting this time, but I don't seem to have received any new documents. I am wondering if there are any new documents with regard to the North Pickering project, or whether this summary of recommendations, August, 1975, is sort of the current bible.

**Hon. Mr. Rhodes:** That's still the current bible.

**Mr. Godfrey:** Thank you very much. I have also received one extra document, "The North Pickering Project; Environmental Management Opportunities and Constraints." That's sort of current, is it?

**Hon. Mr. Rhodes:** Yes.

**Mr. Godfrey:** Are there any further major documents that I may have missed?

**Mr. Forster:** That have been issued since?

**Mr. Godfrey:** Yes, sir.

**Mr. Forster:** No.

**Mr. Godfrey:** There are no further planning or other types of documents that have come out, so these are the current bibles?

**Mr. Forster:** Yes.

**Mr. Godfrey:** Thank you. Then, if I could, and I won't take too long, sir, I just want to

ask in general—at the stage where we are now—what is the progress of the project?

**Hon. Mr. Rhodes:** I will let Mr. Forster, who is dealing with it daily, answer. Go ahead.

**Mr. Forster:** The corporation has been established, the board of directors appointed, and they are, among other things, reviewing the planning work that has been done in preparation for the putting together of their own plans of development which is required by the Act before they proceed to the municipalities.

**Mr. Godfrey:** Thank you very much. Just one question, is it a Crown corporation?

**Mr. Forster:** Yes, that's correct.

**Mr. Godfrey:** And does that show in our budget?

**Hon. Mr. Rhodes:** Separate for the Crown corporation?

**Mr. Godfrey:** Yes, sir. Is that included in your budget figures or is the cost of that to be found somewhere else? Looking at your North Pickering project R-57—

**Hon. Mr. Rhodes:** Yes, it's part of the figure that's there, the \$2,945,000—

**Mr. Godfrey:** Is that the whole? Is there anybody else being paid out of the budget or is the entire North Pickering project now encompassed within the Crown corporation, and this is, in effect, the budget of the Crown corporation?

**Hon. Mr. Rhodes:** The total administrative costs are there.

**Mr. Godfrey:** Thank you very much. That is the only thing that is being charged at present. I presume the whole thing is now under the direction of the Crown corporation and there are no other disbursements from any other pocket?

**Hon. Mr. Rhodes:** To the best of my knowledge.

**Mr. Godfrey:** Thank you very much.

**Mr. Forster:** It's in process of being transferable.

**Mr. Godfrey:** And does this include interest carrying charges?

**Mr. Forster:** No.



**Mr. Godfrey:** Then the budget, as you have it at present, for the North Pickering project at \$2,945,000, and so on, does not include any carrying charges whatever with regard to the initial investment?

**Hon. Mr. Rhodes:** I don't want to be accused of misleading on this. I was very clear on it. This is the figure that relates to the administration of the project. The interest carrying charges, and any other costs, would be under the Ontario Land Corp., which falls under the jurisdiction of the Treasurer (Mr. McKeough).

**Mr. Godfrey:** Thank you. I will not plague you with that, sir.

**Hon. Mr. Rhodes:** Thank you. I note with a great deal of pleasure that Hansard cannot put down voice inflections.

**Mr. Godfrey:** If I might then, sir, I think Mr. Forster remembers quite well when we were here before, that on page 639 of Hansard at that time, the minister made the statement: "I just want to say that if there is no airport there, there is no need to hold the land for a noise zone area. There is no question about that." I know we're talking about budget, and it does apply to the budget to a certain extent, but are you still of that sentiment—is this still your feeling?

**Hon. Mr. Rhodes:** I think in the context of that comment, if I remember correctly—and I may not, but I think I do—it was referring to the zoning order as it applies to the airport site.

**Mr. Godfrey:** Yes, around it.

**Hon. Mr. Rhodes:** Yes, but I don't think it refers to the actual North Pickering community, that we were referring to.

**Mr. Godfrey:** Yes sir; a part of the noise zoning area passes through the North Pickering community, along the northern edge, a distance of about three-quarters of a mile.

**Hon. Mr. Rhodes:** It's all under the same minister's order.

**Mr. Godfrey:** Yes, sir.

**Hon. Mr. Rhodes:** The comment I made at that time was relating it, I believe, to the question of the zoning order that related to the land that was in the noise cone; not necessarily that area that comes into what would be part of the North Pickering community.

**Mr. Godfrey:** I'm confused. Do you require a noise zoning regulation in the North Pickering

project at present, or would you be happy to have that lifted?

**Hon. Mr. Rhodes:** Noting what has been said by one of my colleagues and what has been said by the present federal Minister of Transport, Mr. Lang, that they are in the course of carrying out an all-mode transportation study—which includes, of course, the need for air service—I would say that it would appear that the need to retain that noise zone area is probably a real need at this time until we can determine what that study produces.

**Mr. Godfrey:** Inasmuch as that study most likely won't be completed for a couple of years, as I understand it from the Minister of Transport, and inasmuch as it affects the building of houses, it therefore would put off the possible time of building in North Pickering for at least a couple of years in that particular area.

**Hon. Mr. Rhodes:** No, I don't believe so. I think the building of the housing in the community—

**Mr. Gregory:** In the noise area.

**Hon. Mr. Rhodes:** Oh, no, in the noise area there wouldn't be any building.

**Mr. Gregory:** Yes. And you wouldn't be able to put any houses, or types of non-compatible industries in that area until that time. So, in looking for a timetable for the North Pickering development, do we have any idea of when ground is going to be broken, and things like that?

**Hon. Mr. Rhodes:** I think I could probably take a good guess at it, and so could you, and either one of us could be right or wrong. But I would say probably we're talking around 1979.

**Mr. Gregory:** Then getting back to the Ontario Land Corp. again, those interest charges are piling up every year. Some \$20 million per year, would you say?

**Hon. Mr. Rhodes:** If you look at the total land, I think your figure is right. It's not that much on the urban land, that is the area that would be for the North Pickering community.

**Mr. Gregory:** I had understood the total cost—and you were good enough to furnish me with this information—of acquisition of the North Pickering project land was roughly \$200 million. So that is the land we're talking about on which interest charges are being accrued every year. Then we have interest



on interest throughout. I know this doesn't affect your project directly, but I'd just like to get that clear.

**Mr. Makarchuk:** Drapeau has his Olympics; you have your North Pickering.

**Hon. Mr. Rhodes:** Yeah, but I'm not trying to make up Howard Hughes' will.

**Mr. Gregory:** I'm sure that he doesn't want it referred to as Albatross City, or anything like that, but it is—

**Hon. Mr. Rhodes:** Albatross seems to be a favourite word of members of your caucus.

**Mr. Gregory:** Well, sir, I tell you, we are all great admirers of Herman Melville, and we are used to dealing with great white whales.

**Hon. Mr. Rhodes:** But have you ever won any of those contests?

**Mr. Gregory:** Oh, yes, sir, we win very frequently. Just coming back—this is a wonderful document. Indeed, I relished it, being the environment critic. I was wondering if it has pretty good standing with your North Pickering planning proposal.

**Mr. Forster:** That is a proposal for an environmental management system, and it was done as one of the background papers to wind up the environmental work which was done in North Pickering. That, and any of the other documents, will be subject to the scrutiny of the development corporation as it goes forward with its work.

**Mr. Gregory:** I've had the pleasure of having lunch with Mr. Harris on a couple of occasions. I find he's a most agreeable person and we communicate very well. But, apropos of that, there is some comment in here and other places with regard to whether there has been better acceptance by the region.

[5:15]

As you will recall, on our last episode together, there was some talk as to whether North Pickering was accepted by the community and region. I was wondering if you had had any further thoughts along that line. As you can see, sir, I propose to examine this one from the whole concept of North Pickering. Going back, is it better accepted now? Then we'll get down to the nitty-gritty a little later on. If we could talk broadly: Have you any further input as to how the region and the community are accepting North Pickering?

**Mr. Forster:** There has been, as you are probably aware, only a discussion paper on its official plan by the corporation. That's the only act the corporation has taken to date. The region disagreed with the proposal by the corporation and wanted to leave the designation of a study area on the draft official plan intact. There have been some fairly useful discussions with people from the region and the corporation in recent weeks and I think there is the opportunity for the corporation and the municipality to work together effectively.

**Mr. Godfrey:** I appreciate that very much and I think that is well said. Has there been a vote at any time that North Pickering should go ahead or have the Oshawa council, the Pickering council and the Ajax council—forget Pickering—said they are unhappy about it and they would rather it didn't proceed?

**Mr. Forster:** There may have been. I would have to look.

**Mr. Godfrey:** I'm sure you are aware that they are not happy with the project as it stands at present. Mind you, this may be because they don't know enough about it because your plans haven't really come out. Have they?

**Mr. Forster:** That's right.

**Hon. Mr. Rhodes:** I think one of the points that has to be made is that we are, as you well know, in the development of the project, of the community, subject to the same sort of approach as any other developer. We will have to take our plans to the region and have them approved by the region and have discussions with them, which we have been doing. I know it has been done, in part, by the corporation.

**Mr. Godfrey:** Aside from that, what is the attitude of the private developer to our government getting into this business and taking his business?

**Hon. Mr. Rhodes:** We really aren't taking their business, I don't think. We've gone into an area of developing a community. I don't think there is any question that as this whole thing proceeds along its way, the private sector will be the people who will probably be doing the building and will be coming in and acquiring the land to develop the total community.

**Mr. Godfrey:** I see. So they are not unhappy. What you are doing is laying the



groundwork and then it will be put out to private developers, at a reasonable sum which recovers our initial investment, to develop it.

**Hon. Mr. Rhodes:** They were probably not unhappy with the fact that we will be carrying on some of the negotiations with the region ourselves as far as getting the plan approved and that sort of thing. Quite frankly, I personally haven't had discussions with the private sector on this particular matter. I'm perhaps assuming more than I should but that's something that the corporation itself will develop as they come along with their development programme.

**Mr. Godfrey:** The concern I have is to whether the project should go ahead or not, as you well know. I am deeply suspicious as to whether it is needed. But the fact that it is going to be turned over to private developers eventually may reassure me that all is right with the party in power at present and we haven't had any passing over at the vine.

I do wonder about the site, though, and as this report—

**Hon. Mr. Rhodes:** Just before you go on, I can't let that go by. I was going to but I don't think I can. I don't want the impression left by Dr. Godfrey's last remark that it is the intention of the government to turn this whole project over to the private developers. That is not the intention. What I did say earlier was that, obviously, I don't think we are going to be charging out there under Ontario Housing Corp. or anyone else and doing the total development in building ourselves. I think there obviously will be some local builders buildings and that the control of the project will remain in the hands of the development corporation. The planning, and then any construction that goes on, will be done in accordance with that plan.

**Mr. Godfrey:** Is it any firmer than that, though? Do you have a plan of development at present? For example, there's one mentioned in here which is a very laudatory one, I must say. At a certain stage after the general environmental habitat has been set up, I presume the government will not build the houses and may install services or may not as the case may be, and presumably the area will then be developed in part by private enterprise, is that not true?

**Hon. Mr. Rhodes:** I don't want for one minute to attempt to put direction into the North Pickering—

**Mr. Godfrey:** Crown corporation.

**Hon. Mr. Rhodes:**—Crown corporation but it seems to me that the direction we would be going in would be that if we put in the services for that land and the land has been serviced and prepared, anyone who wishes to develop it will pay the costs of the serviced land.

**Mr. Godfrey:** Thank you. I'm concerned about the site because this environmental assessment points out pretty specifically, "This planning area is a complicated area topographically and biologically [and so on] and becomes very difficult." I presume this is a prestigious document. I don't know how much you paid for it but I daresay these fellows have considerable weight behind their opinions.

They go on to say, for example—they point out several specific areas—they point out the simple problem associated with storm drainage. It's a rather hilly area—I believe you know the area out there—and we do have a lot of storm drainage and problems like that. For example, they point out, "It will be necessary to build a dam at Whitevale, most likely, in order to control the environment." The Metropolitan Toronto and Region Conservation Authority is considering whether it will be necessary to install a dam in order to effect a flood control plan. They're considering that this will take a review of some two years' duration, two years' work, to decide.

**Hon. Mr. Rhodes:** Would that be constructing a dam at Whitevale?

**Mr. Godfrey:** At Clarkes Hollow. I put it in because—

**Mr. Kerrio:** Is that conservation authority?

**Mr. Godfrey:** Yes, sir.

**Mr. Makarchuk:** That's another \$40 million in interest.

**Mr. Godfrey:** That sort of adds up, doesn't it? I'm just pointing out — I'm not talking about the money; I don't want to quibble about that—I'm talking about the site, as to whether it is the ideal site. You must remember the site was chosen because of an airport and the airport, presumably, isn't going ahead. Therefore, it concerns me that we're pushing ahead with developing a site which your experts have pointed out is complicated topographically and biologically. Indeed, I can give you more examples.

For example, the oil pipeline which is there, this document recommends, may require relocation and that's a rather expensive



project as you well know. They point out, for example, this site will be open to air pollution from industrial development and fumes from cars. They point out that with this site it would be necessary to put in Highway 407, which will presumably service the area. In order to do that it will be necessary to move the buildings at Whitevale, and historic buildings at Clarkes Hollow will also have to be moved. Do we have any cost estimate on that?

**Mr. Forster:** With respect to the dam at Clarkes Hollow, that is a proposal, which you may be aware of, of many years' standing with the conservation authority. Our recommended plan showed it as a possibility in the long term and I think if you look at the recommended plan you'll see it says a possible dam for recreational purposes. It could also be used in terms of storm water management. It's one of those things which can be considered down the line but it's not mandatory in terms that the urban—

**Mr. Godfrey:** Correct me if I'm wrong but if the Metropolitan Toronto and Region Conservation Authority says there should be a dam there for flood control, I don't think you've got much alternative, have you?

**Mr. Forster:** They said that before North Pickering ever came along.

**Mr. Godfrey:** Yes, but with respect, before North Pickering came along we had six cows in a field down below. Now you are going to put in 6,000 people and that makes the urgency for a dam a little more acute.

**Mr. Forster:** It depends on how your storm water management programme is set up. The proposal we are working on with the Ministry of the Environment now is a system which reduces the speed of runoff. You look toward retention areas recharging the ground water, and so forth, as an alternative to the traditional sewer system which requires larger and larger pipes. This system really eliminates some of the problems. I'm not talking North Pickering specifically, but urban development in general. It eliminates some of the problems of siltation in the streams, and erosion as the result of heavy discharges after storms. These are some of the things we are looking at, and discussing with the Ministry of the Environment, the conservation authority, and the local municipalities.

**Mr. Godfrey:** I can well appreciate that. If that is the very latest technology, I'm glad to hear we're going to have that.

My concern is that Whitevale was founded in 1828. They never had a flood. Clarkes Hollow, down the line, has never had a flood, and they're not going to get a flood unless you go ahead and develop this site as an urban development. You can say we need a dam because we're going to develop an area. On the other hand, you might say: "We're not going to develop that area, we're going to leave it in agricultural land as it is at present, and we'll forget this, or move this project a little further west where we don't have those problems, and put it where it should be." That's the point I'm trying to make.

**Mr. Forster:** With respect, I don't think the dam is required. The dam is not required necessarily for storm water flow in North Pickering.

**Mr. Godfrey:** Then why does Metropolitan Toronto conservation authority say it's under active review? As far as they're concerned, it looks as though they're going to go ahead. It's very difficult to predict, at this time, what flood control will act after the Clarkes Hollow dam is constructed.

**Mr. Forster:** As I said before, they had that dam on their books, and another one on the east branch of the Duffin, long before North Pickering came along. One of the proposals in the plan was a low-level dam for recreational purposes. That's why they're looking at it. There are other concerns about the building of a dam at Clarkes Hollow and those will have to be looked at as well.

**Mr. Godfrey:** Well, hopefully it doesn't cost too much money while you're looking at the programme. Given the inevitable, what happens if you're going to build the city? We had some questions before on page 640 of Hansard, on Nov. 27, at which time I was asking you about the industrial base for the proposed North Pickering development. Of course, this cuts across the Treasurer's (Mr. McKeough) Durham subregion plan, and other things along that line. I was wondering if your planning has now developed a better feel for what sort of an industrial base we are going to have for the present plan. You might put that in context by mentioning a few of the figures about the projected population for the first phase.

**Mr. Forster:** As I mentioned earlier, I think the whole question is subject to the review of the corporation in the preparation of its plan for development. There is really no further work on industrial development in that area.



**Mr. Godfrey:** Has there been any application for industry to site there?

**Mr. Forster:** I believe there's been some interest. I indicated to the chairman that I'm sure no applications were sent back.

**Mr. Godfrey:** May I ask what happens if an industry wants to locate in that area now? He says to the chairman of the corporation: "We're thinking of moving out there." What happens to that application or that feeler?

**Mr. Forster:** I expect there would be interest indicated presumably.

**Mr. Godfrey:** What is the next step?

**Mr. Forster:** The next step? That would be to indicate to the industry the earliest possible time for services, location sites, and so forth, the detailed planning. It's a long way from that. I don't think any industry is going to try to make specific plans until the plan for development is done and the official plan shows North Pickering. At this time it's not.

**Mr. Godfrey:** Is there an industrial relations officer, or whatever they call those fellows, attached to the North Pickering project team?

[5:30]

**Hon. Mr. Rhodes:** No, I don't believe so.

**Mr. Godfrey:** If we've got so much unemployment out there, would it seem appropriate, if those inquiries come in, that they might be shared with the region? Maybe if you can't take care of them at your place, we can take care of them down at Whitby or Ajax. Would that seem appropriate, if I could write a letter to Mr. Harris for that?

**Hon. Mr. Rhodes:** I think we have recognized the desirability of some industrial development in that whole area, in Ajax and Whitby as well. We know, as I know you do, there is industrial land there available for development. I often wonder why it isn't being developed. As Mr. Forster has said, any industry that might be indicating an interest in locating in the North Pickering area, given the various time frames we have been talking about, iffy as they are, certainly would be looking at the Whitby and Ajax areas.

**Mr. Godfrey:** Would you follow that up and direct the corporation to pass them on because, quite obviously, we need it badly? Just apropos of why industry isn't developing there, it is developing. We are a burgeoning

community but we have already asked government to put two industries out there, one a Liquor Control Board, and the government didn't see fit to do it. They put it to the west of Toronto where they need it very badly, as you know. We feel a little miffed about that. We are a little bit suspicious if some Crown corporation comes in and says it is going to provide an industrial basis for 31,000 jobs in the North Pickering area and then we don't have those kinds of jobs down south. That is why I am a little bit pushy about this particular area.

**Hon. Mr. Rhodes:** I wish that someone might have done the same thing around the city of Oshawa to prevent an industry that is very seriously contemplating, though it has not made the decision, moving out of that area now.

**Mr. Godfrey:** This is a problem, I know. Apropos of that, in the Durham subregion report, Treasurer McKeough refers—and I am sure he would be aware of this—to a high level service industry. Unfortunately, I haven't had a chance to ask him—and you can duck out if you want to, because it is not your expression—but what do you understand by high-level service industry?

**Hon. Mr. Rhodes:** Are you referring now to last year's Hansard?

**Mr. Godfrey:** No, I am referring to the Durham subregion report, which Mr. McKeough tabled a few weeks back.

**Mr. Forster:** What he would be referring to is industry which serves others. The high level would be professional people.

**Mr. Godfrey:** You mean medicine is a service industry and engineering is a service industry?

**Mr. Forster:** Engineering, yes.

**Hon. Mr. Rhodes:** Are you suggesting that medical doctors don't provide a service?

**Mr. Godfrey:** Yes, I am suggesting they provide a professional service but it is not a service industry.

**Hon. Mr. Rhodes:** Well, I didn't say it was. That's high-level, however, and also high-priced.

**Mr. Godfrey:** We won't get into that; it's the wrong committee. You are talking about professionals. You will be interested to know we don't have a shortage of doctors or engineers. Could you go on to another area



possibly and describe what you understand by high level service industry? This is part of the North Durham plan.

**Mr. Forster:** You are just talking generally of the types of services which would be required to support the population and the community, the types of services you find in downtown Toronto, for example.

**Mr. Godfrey:** Possibly you haven't had the advantage of reading Mr. McKeough's document, which in pointing out the development plan for North Pickering—

**Mr. Makarchuk:** Are you sure it is an advantage?

**Mr. Godfrey:** —says that North Pickering will develop a high-level service industry to take up the lacks which are present in the area now. Presumably you consulted with him on this; presumably Mr. McKeough didn't go forward and put something on paper without talking to the people who are running North Pickering. What do you understand by high-level service industry?

**Hon. Mr. Rhodes:** Perhaps you are being too presumptuous. Perhaps you should ask the question of the Treasurer.

**Mr. Godfrey:** Maybe I should direct him to speak to the director of the North Pickering project to make sure he agrees with him. Would that seem appropriate? I think so.

We have already talked about the zoning which goes around there and the matter of the noise zoning before. Mr. Wronski, unfortunately, isn't with us today but at that time we got into a discussion of the York regional plan and whether it had taken appropriate steps to ensure that the western end of the North Pickering development would be protected. As you will recall, the western end is agricultural zone with a narrow greenbelt service corridor going down.

At that time, my question, page S-641 was: "May I ask, is Highway 7 to be zoned as non-industrial on the western reaches of the North Pickering development?"

**Mr. Wronski replied:** "I don't think we can answer that question at this time. It would depend entirely upon the region plan."

I responded: "I hope you will make recommendations to that effect" and Mr. Wronski replied: "I am sure we will." Have those recommendations been made?

**Hon. Mr. Rhodes:** That area, that narrow strip you are referring to, is a mile and a half wide.

**Mr. Godfrey:** No sir, I am not referring to that strip. I am referring to Highway 7 which is west of that strip. You have complete control of that strip. That belongs to the government. The rest of the land still belongs to the people of Canada and they have it under private ownership. It is an old-fashioned thing around here and they are going to develop that into industry unless some type of appropriate zoning is done in order to protect your agricultural zone. That was the thrust of the question at that time and Mr. Wronski undertook to ask York to do something about the zoning.

**Mr. Forster:** Is this in the town of Markham you are referring to?

**Mr. Godfrey:** Yes, Highway 7 west.

**Mr. Forster:** Well, the town of Markham is in the process of completing their official plan now and it follows very closely the recommendations of our recommended plan.

**Mr. Godfrey:** And you recommended to the town of Markham that that be done?

**Mr. Forster:** We had put out the recommended plan. We had talked it over with them. My understanding is that what they have proposed is somewhat similar to the recommended plan which doesn't show any industry on Highway 7.

**Mr. Godfrey:** I suggest you take a look at their current plan. I know the plan is not yet solid, but there is a great deal of industry along there.

**Mr. Forster:** Maybe I misunderstand where you mean—between concessions what and what?

**Mr. Godfrey:** If you would be good enough to undertake to follow up that commitment that was made by Mr. Wronski, I would greatly appreciate it.

The problem still arises as to the site and the agricultural land and I am a bit of a bug on this, having seen an awful lot of hungry people who need vegetables and grain and things like that. Once again we are talking about the site. There is, as we know from the Richards report and other reports, a great deal of agricultural land there, part of which has been zoned off agricultural now and I give your ministry every credit for that. They have done that. But there is still a large amount of agricultural land. Inasmuch as the government has a fairly good planning tool in the countryside planning report put out July, 1975, why was that type of planning



tool not used when you were planning the North Pickering development?

**Hon. Mr. Rhodes:** That, I believe, was put out because it dealt with southwestern Ontario.

**Mr. Godfrey:** That's right sir, Huron county. It is an excellent document. But if it were taken, it would show there is an agricultural perspective for that area which would prohibit building in that region.

**Hon. Mr. Rhodes:** That report was done by a consultant firm and I think in July, 1975, the North Pickering plan was completed.

**Mr. Godfrey:** Sir, the North Pickering plan is not completed. You have just finished half an hour of telling me it is still in evolution. You haven't got a plan. You have a Crown corporation which is looking at a series of recommendations.

**Hon. Mr. Rhodes:** With respect, the plan that you originally saw, as to what was proposed for that area, was well-produced and certainly produced before July, 1975.

**Mr. Godfrey:** It was a concept, a summary of a recommended plan. There we are. You mean you can't start back at square zero? You are locked into this?

**Hon. Mr. Rhodes:** You can start over anything if you want to start over again. With respect, if we are going to start over every project because another consultant's report comes out somewhere, we are going to be starting over everything we do.

**Mr. Godfrey:** You had better stop commissioning reports.

**Hon. Mr. Rhodes:** On the contrary, the report you are referring to certainly makes some interesting comments as it relates to Huron county. Surely, you would not expect us to stop every development that is going on or any planning that is being done every time a consultant's report comes out on something?

**Mr. Godfrey:** I expect the present government to be responsible enough, and flexible enough when it is pointed out to them that they are misusing agricultural land, to back off it.

**Hon. Mr. Rhodes:** Well, sir, with the greatest of respect, you have been one who has been most critical of the minister's zoning order on the land as it was frozen, if I can use that term, around the proposed airport

site. You have made a number of inquiries as to why we don't lift that freeze. You know full well that if we do that, we will permit housing to take place on that very land that you want to save so desperately for agriculture. Now you go both ways here and I don't understand.

**Mr. Godfrey:** Mr. Minister, we have a little problem here. You argue post hoc ergo poppycock.

**Hon. Mr. Rhodes:** Only after you put it on the table.

**Mr. Godfrey:** Taking off the zoning restrictions there does not mean you are going to have housing. That land is zoned agricultural and will stay agricultural.

**Hon. Mr. Rhodes:** But you know what it permits; it also permits housing to be developed on those parcels of land.

**Mr. Godfrey:** Not as long as you have got Ajax and Pickering and Whitby groups in charge there. Give them a little responsibility for running their own communities. If you think you can do it better from Queen's Park than they can do it out there, fine, but I think that they are—

**Hon. Mr. Rhodes:** Ah, sir, I am most pleased to hear you say that, because obviously there is a division of thinking within your own caucus as to where the authority should lie. I have just sat here for a number of days and had it put to me by your very learned colleague from Ottawa Centre (Mr. Cassidy) that all of the decisions on planning should be made from here in this ivory tower.

**Mr. Makarchuk:** Oh go on. I am sure he didn't say that.

**Hon. Mr. Rhodes:** Well, you read Hansard.

**Mr. Godfrey:** It was done on the basis of mutual consultation.

**Hon. Mr. Rhodes:** With whom?

**Mr. Godfrey:** Whitby, Ajax and Pickering. Tell me, have you received a letter, Mr. Minister, with all respect—I am getting a little hot here.

**Hon. Mr. Rhodes:** Well, I am too, sir, and I think we might just as well have it now.

**Mr. Hodgson:** I am getting a little hot, too, from listening to you.

**Mr. Godfrey:** Have you received a request from Pickering to remove the land zoning



freeze? Yes, you have, sir. There was a resolution passed.

**Hon. Mr. Rhodes:** Oh, yes, I've received it.

**Mr. Godfrey:** Did you respond to that?

**Hon. Mr. Rhodes:** I think we responded to that in the negative.

**Mr. Godfrey:** If we may get off that, sir. On page S-636 at the Nov. 27, 1975, meeting, I queried at that time whether we did have an estimate of the cost of supporting services—that is aside from the North Pickering development—the cost of transportation facilities and other things like that. At that time I believe you stated on page S-636, four lines from the bottom, "we are trying to get the figures." I was wondering if you had them.

**Hon. Mr. Rhodes:** I think those figures were sent to you, were they not?

**Mr. Godfrey:** No, sir.

**Mr. Forster:** They were given at the time.

**Mr. Godfrey:** No, sir.

**Mr. Forster:** Shortly afterwards.

**Mr. Godfrey:** I am sorry, with all respect: I don't wish to contradict you, but we do not have any figures in Hansard that talk about the cost of transportation, that talk about the other infrastructure costs. At that time, I would point out, I said, "Then are we hiding the transportation cost?" And you assured me we were not, but I don't have the figures in Hansard.

**Hon. Mr. Rhodes:** You are referring to the cost of highways and other transportation facilities that might be required to serve the area?

**Mr. Godfrey:** Yes, sir. The costs which are not considered in the budget as you have it here. In order to put this thing in here you have to do a lot of other things.

**Hon. Mr. Rhodes:** I don't have those figures. I don't think those costs have been arrived at.

**Mr. Godfrey:** Well, in order to get a full assessment of what this gem is going to cost us, do you not think it would be reasonable if we had an idea? I realize that is difficult, but surely you could commission a report which would break it down into the costs if we didn't have North Pickering and if we did have North Pickering. For example, Highway 407 alone is very much tied up with North Pickering, and possibly without North

Pickering we wouldn't need Highway 407. That's a possibility; I am not an expert, I am not one of these people, but I would query if you could give us that sort of cost.

**Hon. Mr. Rhodes:** We aren't really that convinced that Highway 407 will be needed without North Pickering, but you could say Highway 401 wouldn't be needed if Kingston wasn't there either.

**Mr. Godfrey:** But Kingston is there, I agree. But I suggest that you had better read Mr. McKeough's Durham subregion report where he puts in that Highway 407 is needed for that.

**Hon. Mr. Rhodes:** As we develop the North Pickering project a lot of these matters are going to have to be dealt with in the context of what happens in the area. It's not necessary that 407 be what you are referring to as a full-blown, heavily travelled arterial route, as a divided highway. We don't know that yet, and I think the costs of that would have to come from MTC.

**Mr. Godfrey:** Then in other words we don't really know the cost of these supporting structures.

**Mr. Forster:** I think the figures we gave you last year, Mr. Godfrey, related to the cost of the infrastructure for North Pickering itself, the support services and social services. Now if you are talking about Highway 407, it was on the books as a major—interregional, I guess is the term—freeway, or arterial road, long before North Pickering came along. The only change that was made or suggested was in alignment.

[5:45]

Certainly it would provide service to the north in the future when that area is developed. If the corporation goes along with the staging plan in the recommended plan, then 15 or 20 years hence that would be a very useful road to have in terms of the urban development. The road was required for other purposes than North Pickering and I would suggest the cost of it should not be charged against North Pickering any more than the cost of improving 401 through Oshawa will be charged to Oshawa.

**Mr. Godfrey:** I can accept that with ease. I am a little bit concerned, being a private businessman, about a commitment of capital which will pay off 20 to 25 years hence but I will let that go.

I would like to talk for a moment about the costs which have gone into the studies.



You were good enough to send me a copy of these and I thank you very much. I understand the land was acquired for \$201 million, give or take a few hundred thousand. That is some three or four years ago and that is on the exchequer at present. In addition to that—

**Hon. Mr. Rhodes:** Excuse me, that includes the interest to date.

**Mr. Godfrey:** It's \$201 million interest to date?

**Hon. Mr. Rhodes:** No, that includes the interest to date.

**Mr. Godfrey:** It does. Is that also including accrued interest?

**Mr. Forster:** Yes, up to March 31.

**Mr. Godfrey:** No, I don't think so. I am enough of a small-time financier to doubt that figure really. However, we are talking about a couple of hundred million dollars; it doesn't matter. We are talking about the cost for consultants and you were good enough to furnish me with a list of \$201 million—I beg your pardon—\$2.1 million which has been spent on consultants so far. I would like to query if I could—I don't know whether it is in this year's budget or last year's budget; unfortunately we didn't see it—Bird and Hale \$28,350.

**Mr. Forster:** You wanted to know?

**Mr. Godfrey:** Sort of an idea. I haven't seen many of these reports.

**Mr. Forster:** Bird and Hale was an environmental study. It followed on from the broad hazard line study done earlier in 1972, I think, and Bird and Hale was a more detailed study of the land capability.

**Mr. Godfrey:** Then the Horton Forestry Service at \$65,500?

**Mr. Forster:** That is over a four-year period; or 3½-year period, I guess.

**Mr. Godfrey:** At \$18,000 a year?

**Mr. Forster:** That's right.

**Mr. Godfrey:** That has to do with the trees and that sort of thing?

**Mr. Forster:** That has to do—he performs two functions. Mr. Horton works for us as an inspector, if you like, of the area, on the preservation of existing trees; the development of programmes to plant trees in areas affected by erosion and so forth; and also

proposing programmes for tree planting for future use.

**Mr. Godfrey:** And the hydrology consultants at \$143,500?

**Mr. Forster:** That is a study which is just being completed now. It is a detailed study of the ground water in the proposed area for the first stage.

**Mr. Godfrey:** Did that stem from the recommendations here? I presume it did because that is what they recommended.

**Mr. Forster:** That's correct.

**Mr. Godfrey:** Thank you. The Plantown at \$1,496,000?

**Mr. Forster:** That is the major planning study which produced the recommended plan.

**Mr. Godfrey:** Is that this one?

**Mr. Forster:** That's a summary of it there.

**Mr. Godfrey:** And then the Plantown public participation, \$45,274. How many public participation meetings were held?

**Mr. Forster:** Quite a number.

**Mr. Godfrey:** Would there be 10?

**Mr. Forster:** There would be far more than that.

**Mr. Godfrey:** Did the Plantown people read the—do your consultants read each other's reports?

**Mr. Forster:** Yes, indeed they do.

**Mr. Godfrey:** I was wondering because these people recommend that you should have a hydrology programme which obviously had been carried on before. The public participation one rather caught my eye because on page 45 of the environmental management opportunities it is recommended:

It is alert local citizens and interest groups who must be willing to press for and be willing to pay for high level ecosystems management [That is good.] Before these groups are firmly in place, the North Pickering team must provide the leadership, capital and technical skills to conserve and to rebuild an ecosystem exhibiting both diversity and productivity.

And that's bad.

**Mr. Forster:** Why is that bad?

**Mr. Godfrey:** I think if you are going to have alert local citizens who are going to



press for it, they should be involved in helping to design it, too. I would hope the public participation meetings you had took that into consideration.

**Mr. Forester:** Certainly, that management report is looking forward to the development of detail which—we are not down the road to that point yet.

**Mr. Godfrey:** Why do they say—I am not asking you to explain the report—"before these groups are firmly in place"? There is sort of a Machiavellian tinge to that. You don't hire Machiavelli as your planner, do you?

**Mr. Forster:** No, we haven't recently.

**Mr. Godfrey:** I thought not.

If we could go on from that. We were talking about cost, and we are getting around to the budget itself in detail. I see we have the recoveries marked on R57. Is that recoveries from properties?

**Mr. Forster:** No, those are moneys recovered from other areas of the provincial budget.

**Mr. Godfrey:** Do we have an idea of what it costs us to maintain the properties at present? Just a round figure, per year.

**Mr. Forster:** About \$500,000 and something, I think.

**Mr. Godfrey:** That is without recovery at all?

**Mr. Forster:** Yes, total estimated budget is about \$500,000.

**Mr. Godfrey:** I presume that the same losses—that is a loss, is it? No revenue—that is a loss?

**Mr. Forster:** Yes.

**Mr. Godfrey:** I presume the same losses will continue until the project actually gets going and bringing in money.

**Mr. Forster:** Those are offset by the rental revenue that comes in.

**Mr. Godfrey:** How much is that?

**Mr. Forster:** I don't think I have the figure here. It is slightly over \$1 million.

**Mr. Godfrey:** A million dollars a year in rental?

**Mr. Forster:** I think so. I'd have to confirm it.

**Mr. Godfrey:** Thank you. Going a little more into the detail of the budget, on page 119, under financial analysis notes on special items, there is services \$2,567,000. Then, down at the bottom of that, there is an item for printing, copy machine rental and other services, \$305,000.

**Mr. Forster:** I don't have a breakdown of that here, but under printing it would be various reports. Whether or not the Ontario Development Corp. wishes to proceed with those will depend on how much will be spent.

**Mr. Godfrey:** It is \$6,000 a week for various reports?

**Mr. Forster:** No, printing is one item there.

**Mr. Godfrey:** And the other items would be copy machine rental and other services.

**Hon. Mr. Rhodes:** We would have to get you the details.

**Mr. Godfrey:** I'd be very much obliged; thank you very much.

I see we are getting close to 6 o'clock, and I have about 10 minutes more. Would you like to call it now before I get into this?

**Hon. Mr. Rhodes:** We will be here Wednesday, again.

**Mr. Godfrey:** All right. Do you wish to call it now? I have another 10 or 15 minutes on this report, Mr. Chairman.

**Mr. Chairman:** Fine, then we will meet Wednesday at 2 p.m.

The committee adjourned at 5:55 p.m.



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 Cassidy, M. (Ottawa Centre NDP)  
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**Ministry of Housing officials taking part:**

Brown, J. F., Director, Community Renewal Branch  
 Campbell, D. S., Planning and Evaluation Co-ordinator, Ministry Secretariat  
 Farrow, G. M., Executive Director, Plans Administration Division  
 Forster, J. L., Director, North Pickering Project















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# Legislature of Ontario Debates

**SUPPLY COMMITTEE—2**

**ESTIMATES, MINISTRY OF CONSUMER  
AND COMMERCIAL RELATIONS**

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

**Monday, May 17, 1976**

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

MONDAY, MAY 17, 1976

The committee met at 3:12 p.m. in committee room No. 2.

#### ESTIMATES, MINISTRY OF CONSUMER AND COMMERCIAL RELATIONS (continued)

On vote 1302:

**Mr. Chairman:** Item 6, business practices. Any further comments?

**Mr. Reed:** I have a very brief subject to which I would like to allude at this time with regard to vote 1302 in connection with itinerant sellers. On April 26, Mr. S. Smith asked the minister if he would not agree that it would be a good idea to give some identification to itinerant sellers to show they have been registered so as to protect the householder. The hon. minister answered that many municipalities do provide a licence which can be used for identification, but he thought it was a suggestion worth considering. I am interested in whether the minister has considered that aspect for itinerant sellers.

The other is probably a more profound problem here, that is, we know that itinerant sellers can be licensed, but they must apply for it. The question is, and I believe this to be true, that there doesn't seem to be a penalty to itinerant sellers who operate without a licence. In other words, the business of equipping itinerant sellers with a licence is strictly a status measure for that company and really doesn't entitle the consumer to any particular kind of protection because an itinerant seller can continue to sell and practise his business without this licence.

That is just a brief statement. I have a lot more that I could read out of this research, but that is the main concern about itinerant sellers, the fact that there is no penalty for operating without a licence.

**Hon. Mr. Handleman:** I hate to cast aspersions on your research again, Mr. Reed, but the penalties are provided for in the Consumer Protection Act and are up to \$2,000 for a violation by an individual and \$25,000

by a corporation. They have been there for quite some time. I don't know where on earth anybody could get the idea that one can operate as an itinerant salesman in this province without the penalties applying.

Mr. Jamieson, the registrar, is here. Perhaps he could explain the procedure for registration and the kinds of identification that are necessary.

**Mr. Jamieson:** Mr. Chairman, my name is Charles Jamieson. The Act calls for the registration of an individual in partnership or a corporation that conducts a business as itinerant selling. The provisions of the statute do not require salesmen of the corporation to be separately registered under our Act. However, we hold the corporation responsible for the activities of its salesmen with respect to itinerant sellers. The provisions of the Act also do not permit those individuals, partnerships or corporations registered under our Act to advertise as such, if they are registered. Therefore, we do not permit individual salesmen of a company to identify themselves.

[3:15]

**Mr. Reed:** But the company is responsible for the actions of its commission salesmen?

**Mr. Jamieson:** Most certainly.

**Mr. Reed:** In every instance?

**Mr. Jamieson:** Yes. For example, if a company registered under our Act for itinerant selling and a salesman in the course of his business activity acted in an unethical manner toward the consumer and such evidence was brought to the attention of the Consumer Protection Bureau by way of written complaint, then the unethical conduct of that salesman may well lead to the deregistration of that company or the revocation of their registration.

**Mr. Renwick:** Mr. Molyneux very kindly provided me with a copy of the proposal made in the Vic Tanny's matter and a copy of the consent agreement that was entered into with Mr. Molyneux, as the director, and the various Vic Tanny's outfits.



First of all, I thought that the proposal was very carefully and extensively drawn. I must say it was, if anything, a kind of a model as a first presumably under the Business Practices Act and covered all the points very clearly. My only comment on the agreement is that I think you may give consideration in future agreements to setting out in the schedule rather than just the bare bones of the unfair practices referred to in the particular subsections of section 2. You might very well want to specify actually in the schedule what those unfair practices are.

It seems to me that the great merit of this kind of agreement is the publicity which it receives. This document for media purposes, unless someone was prepared to do the research, doesn't indicate very clearly the extensive number of allegations with respect to violations and the engaging in unfair practices carried out by the Vic Tanny's operations. I think that would be most helpful. Secondly, I think you should be careful in future about the code of ethical principles because, as I mentioned the other day, the impression I had was that they rather attempted to one-up the ministry and the full impact of the agreement was not felt throughout the community in the way in which it should have been.

I am also immensely concerned when I see that for all of the various Vic Tanny's companies, the 10 companies, that the compliance is evidenced only by the signature of one man, namely, Mr. Gelber, as secretary of each one of them. Therefore, really my only further question is to the extent that the proposal was directed to the directors and officers of all these companies. Did the ministry have any contact with all of the persons who were directors and officers of each of the companies, or was this agreement simply worked out between the companies — Mr. Gelber, as an officer — and presumably the firm of solicitors that acts for the Tanny companies. Otherwise it would appear to me that the directors and officers of these various companies that are referred to in here may not have any clear understanding of the import of the agreement which was signed by the companies of which they were directors and officers. Perhaps Mr. Molyneux or the minister would care to comment on that?

**Hon. Mr. Handleman:** First of all, the first point that you made about spelling out the specific practices as was done in the proposal, probably should be included in any future agreements of this nature which are voluntary in nature. I would have to assume that the companies were represented by coun-

sel in negotiations with the director. I can't say whether or not anybody other than Mr. Gelber, or the solicitor, were involved in the negotiations. Perhaps Mr. Molyneux will want to comment on that aspect of the negotiations.

**Mr. Molyneux:** The negotiations were conducted between Mr. Garry Smith of Weir and Foulds and then Mr. J. D. McKellar, who is a solicitor and director of Vic Tanny's. At no time did we have consultation with Mr. Gelber. These matters were discussed with Mr. McKellar as to the person authorized to sign on behalf of all the companies. I think you will find that they have added companies that were not mentioned in the proposed order. I have evidence of their desire to have all their companies operating in the Province of Ontario bound by the agreement.

**Hon. Mr. Handleman:** I think also with regard to the code, there is no question about it that there have been advantages. When safety features were put in cars, car manufacturers immediately turned them into promotional devices. This is probably considered to be standard. But you may have noticed that the director did anticipate the possibility that Vic Tanny's might want to represent that the code had the endorsement of the ministry, and specifically excluded that from the agreement.

**Mr. Renwick:** I recognize that. My last question on this agreement and the allegations made in the proposal is to what extent now does the ministry have an obligation to make this known to all the persons who may have had the unfair business practice perpetrated on them by Vic Tanny's? Do you rely simply on the news media for that purpose?

**Hon. Mr. Handleman:** Yes, we have—and with all respect to the media, I think they have given it fairly substantial play. Of course, we are far outweighed by the amount of space that was bought by Vic Tanny's in their advertising. I think we took a lot at the Star and the Globe, just as an example, and we got five column inches, and the Vic Tanny's advertisement covered 50 column inches. But, since the initial cease and desist order, we have received a number of consumer complaints which are being negotiated. I assume that from time to time there will continue to be more complaints as people become more and more aware—or maybe the advertising will bring in more people who will complain more—but we will have to depend on the media. I don't see how we can possibly do either a direct mail or a large



advertising campaign specifically with regard to Vic Tanny's.

**Mr. Renwick:** I would agree with that. I am just curious as to whether or not in an agreement such as this you couldn't impose an obligation on Vic Tanny's to advise each and every one of the persons who joined Vic Tanny's operation, during the course of the period that was under investigation, that an agreement had been entered into, to furnish them with a copy of the agreement and to indicate if they have any questions about it, that they could consult either with the ministry or with Vic Tanny's directly on it?

**Hon. Mr. Handleman:** Of course, part of the voluntary agreement is that they will undertake to institute a system of dealing with complaints. Up until this time all they have ever done—well, they usually ignored letters and refused refunds. They were very strict in enforcing the actual letter of every contract. We have imposed on them, and they have agreed to accept, a procedure for dealing with complaints from people who join. I think that your suggestion is a good one and it is one that the director has heard and will bear in mind for future agreements of this nature.

**Mr. Chairman:** Mr. Moffatt.

**Mr. Moffatt:** Just briefly on the same topic, Mr. Chairman. The whole business of Vic Tanny's was one which was in question for probably two years before the cease and desist order. I just wonder what sort of procedure was used and why it took so long. The Business Practices Act came into effect and obviously there had been rumours and expectations of action against Vic Tanny's by the public on the day the Business Practices Act was first announced. Why did it take so long to really put the full teeth of the law to work on these people?

**Hon. Mr. Handleman:** The law lays down certain conditions. I believe it was first proclaimed on May 15, 1975, so it is just about a year old. Mr. Mitchell can explain to you the very tedious process, it may sound glamorous, but the very tedious process of getting evidence. You simply cannot charge people in this society, and I hope we never will be able to, without having the evidence to support the allegation that we are making. Now, Mr. Mitchell and his staff have to spend a great deal of time getting specific evidence.

**Mr. Moffatt:** I don't think I was making an allegation. I was asking a question, based

on reporting complaints previous to the passing of the Business Practices Act.

**Hon. Mr. Handleman:** Right; but rumour, allegation and innuendo is not evidence and we have to have evidence. Mr. Mitchell can tell you the procedure that is used to obtain it. I would like the member to hear the whole story.

**Mr. Mitchell:** Specifically, in this instance we commenced at least an interest in Vic Tanny's back on July 22, 1975. To this end, I had a young lady go in and record the pitch; and we monitored the advertising. It then became necessary to get an investigation order. We went into the company and picked up reams of material—contracts, their pricing structure, their advertising policies. I guess it took us a few months to put everything together.

The investigator had to talk to and deal with a number of principals of Vic Tanny's organization. I guess it was in late November when we had the investigation completed. Then it went to counsel and it was a matter for counsel to again take everything apart and come up with the proposals. So it can be quite drawn out.

**Mr. Shore:** Just a couple of queries on points on this Vic Tanny's aspect, which may relate down the road to similar situations. Firstly, when you heard the rumour or innuendo or allegation—and I quite agree you don't charge under that process, I agree; at least I hope we wouldn't—but it is possible when you hear this type of thing that you call senior officials of the corporation into your office or something and say: "We have heard this type of situation exists." Let them at least deny it or agree with it.

I am not an investigator, but perhaps when you've heard this type of informal evidence, maybe not of a technical or legal nature, perhaps through that process you may or may not determine whether it is worthwhile to pursue. Maybe something constructive could come of a meeting of that nature. I am just wondering if that type of approach had been thought of; and if not, why not?

**Hon. Mr. Handleman:** It is used in the judgement of the people involved, and in many cases that approach can defeat the whole investigation by simply putting people on guard who deny everything. Obviously you have no evidence and by the time you get to them it is gone. So I think you have to allow people to use their judgement in this kind of thing, and this is exactly what they do.



**Mr. Shore:** And do your people use that kind of judgement?

**Hon. Mr. Handleman:** Oh certainly, they use it all the time.

**Mr. Shore:** Can I ask this question: In the case of Vic Tanny's, was it thought that that type of approach was not warranted?

**Hon. Mr. Handleman:** I have to ask the director that.

[3:30]

**Mr. Mitchell:** Again let me say that the Consumer Protection Bureau over a period of time did have a number of complaints from consumers and did try to negotiate or mediate these complaints with Vic Tanny's.

**Mr. Shore:** And you weren't able to solve them.

**Mr. Mitchell:** They got a deaf ear.

**Mr. Shore:** I move on now to the next question. Having had the deaf ear, you then had to go through the more formal process and the investigatory process where you could get hard evidence of some kind to meet the requirements. Is that right?

**Mr. Mitchell:** That is correct.

**Mr. Shore:** Having done all that and proved your case, apparently—I assume you proved your case?

**Hon. Mr. Handleman:** We think we did.

**Mr. Shore:** There was a fair amount of time, effort, money, cost and all kinds of things involved in this thing. What was the penalty, if any, that Vic Tanny's suffered by the end result other than having to retain a legal counsel to draw up the documents?

**Hon. Mr. Handleman:** There have been no charges laid. What the procedure requires is a proposal to cease and desist certain practices which we say are in violation of the Business Practices Act. That is a charge or a request to do something. Then our immediate concern is redress for the consumer, not necessarily to find people guilty and get money in the form of fines which don't go back to the consumer.

The fastest and cleanest method from our point of view to achieve what we think is the most important thing is to get this voluntary assurance that they won't do it; and included in that is their commitment to refund and to provide redress. I don't know the total amount, but I know we have got 42 rescissions. In other words, the contracts

have been voided. All the money has been given back—probably more than the fine that is provided for in the Act.

**Mr. Drea:** And more to come.

**Mr. Shore:** I respect that, and I think the prime purpose of this ministry probably is to make sure that the consumer is protected, ultimately that is the objective. I still maintain, though, and I have seen it in many instances, that if there isn't some penalty on the other side, other than just a cease and desist order, it may minimize the opportunities that you have in trying to get people to come in in the earlier stages to sit down across the table and say what are the problems, which you obviously had with this particular one.

I don't believe in cutting off a head, but I don't believe that companies should obviously flounder this thing until such time as their whole operation is almost dead, and then suddenly come along and do something, while at the same time throwing it in your face by some beautiful ads in the paper that I have followed recently, where, if you didn't know it was going on before, you suddenly would think that Vic Tanny's really constructively and positively are the greatest thing since peanut butter. I just think it is an area which is worth consideration from a positive, constructive point of view, not necessarily from the point of view of a penalizing type of thing.

**Hon. Mr. Handleman:** I don't think we are going to hesitate to prosecute. We haven't. We have prosecuted in some cases. As I say, our first motivation in doing these things is to get the consumer's money back for him. In the case of Vic Tanny's, there has been no prosecution because there has been no charge laid. We never did lay a charge. We asked them to cease and desist certain practices which we felt were contrary to the Act. But until such time as those practices are found to be in violation of the Act, there is no penalty to be paid. In our view, the better thing to do is to get the money back for the consumer.

We have an agreement where, if there is any breach of the agreement, we can prosecute immediately without going through all of the preliminaries and they know this. We have had a few prosecutions that have been thrown out of court.

**Mr. Shore:** That is the gamble.

**Hon. Mr. Handleman:** Yes. You learn to be a little cautious and go after your first interest



which is to get the consumer's money back. Vic Tanny's knows quite well, if there is any breach of this agreement, we don't have to go through any more steps, we'll prosecute.

**Mr. Chairman:** May the Chairman suggest as gently as may be that Vic Tanny's has taken a fair amount of our time. Is there anything more on this? Mr. Moffatt?

**Mr. Moffatt:** I don't want to go by this particular item.

**Mr. Drea:** It is taking a fair amount of time in the Legislature, year after year after year after year.

**Mr. Chairman:** All right, repeat it another year, we should have much more time.

How about a little real estate? By the way, this vote is so vast we could stay here for an infinity of time practically. I think we would like to move on.

I have a question myself on real estate. I notice the number of real estate brokers has increased by 1,000 over against 1974; the salesmen have increased to 23,453, about 1,000 again over the previous year. I am not going to go into a long interrogation. I think the department has been run fairly well. I have only one complaint that comes in to me and I have experienced it personally too.

On the training of real estate salesmen in their job, there is a neat little point which I think a well-informed salesman should know all about and have no difficulty with, but it seems there may be some defect in the training procedures insofar as the very point I want to mention comes up time after time. When a first mortgage is placed on premises or there is one being assumed in the course of a transaction, to place the second mortgage terminating at a date later than the first mortgage, say, a year or two years later, while the first mortgage is sitting there in front of it without writing in a postponement clause; then keeping the second mortgage as second mortgage so that the first may be rearranged or renewed seems to be a constant deficiency and can cause an infinity of trouble for the poor devils who have bought a property and when their first mortgage falls due, they find that they have to take out both at the same time. It is effectively saying that the second mortgage only runs the same as the first, whatever the length of time. They may have set it up for five plus five, or any other shift, but it matters not a damn if no provision is made by way of a postponement clause.

In other words, my question has to do in this area with the depth of training. That doesn't seem to me a very difficult point or

something that requires exquisite skill to be aware of that deficiency, and yet it recurs all the time. Is there something wrong in the training process?

**Hon. Mr. Handleman:** Mr. Cox can tell you whether or not that is included in the curriculum.

**Mr. Cox:** That is exactly the reason why in our new broker qualification courses we have put in a course in mortgage financing. We keep telling people before you sign an offer or accept an offer have your solicitor check it. To make sure that all the mortgage financing is up to date, our new broker qualifications require a 40-hour course in mortgage financing. Up until recently, this was included generally in real property law, brokerage and whatever else. But we did feel it was necessary to bring in a course in mortgage financing.

**Mr. Chairman:** Does this apply to the salesmen too, rather than the broker?

**Mr. Cox:** The salesman course has been upgraded from 90 hours to 150 hours. In segment 3, the final essay-type section of the course, where they used to complete a listing, complete an offer, and work out a mortgage, they now work out several mortgages and write several offers. A lot more attention is being paid to the mortgage financing end of writing offers.

**Mr. Chairman:** Do you have a fair failure rate like universities? Have you got a G curve of some kind? I am joking in a way, but I would think with the heightened requirements there would be fewer people able to go through that test at the first crack anyhow.

**Mr. Cox:** We have found we are getting a far better grade of people taking the course. The numbers are not dropping, but people who intend to make real estate their career are now coming in. We used to get a tremendous number of people who took courses for information's sake. With our new salesman's course, the first 30-hour segment weeds out those people.

**Mr. Chairman:** Does that mean that for the fly-by-nighters and the ones who are only coming in for very partial work in a real estate office there is some elimination of that moonlighting procedure?

**Mr. Cox:** There is no way we can legislate for that. Anyone who is qualified is entitled to be registered, provided there is nothing else against him.



**Mr. Moffatt:** I am not familiar with this Act at all. Is it possible that a person can hold a real estate licence and other licences to act in a sales capacity in other industries or other pursuits, such as a licensed auctioneer and a real estate licence and so on?

**Mr. Cox:** Auctioneers are all under municipal licence, they are not covered by a provincial licence. We have many real estate brokers who over the years have been auctioneers. In fact, there is no law against a real estate broker auctioning off a property, but he must take out a local municipal auctioneer's licence. There are many people with other jobs and as long as there is no conflict of interest, we are required to license them.

**Mr. Moffatt:** Would it be possible for a person to have other provincial licences as well as a real estate broker's licence?

**Mr. Cox:** Not as far as I am concerned. We have a policy certainly in our division that, if somebody has a motor vehicle dealer's licence, he doesn't get a real estate licence because there could be a conflict of interest.

**Mr. Chairman:** Anything further with respect to item 6 of vote 1302? **Mr. Moffatt.**

**Mr. Moffatt:** We dealt extensively with housing warranties and new housing and so on on Thursday. I wonder what is presently going on with regard to the protection of the consumer with respect to people who do servicing to established housing. One of my constituents called the office last week and I went to see him this morning. He had been sold a waterproofing service on a contract basis at a price of \$500. He lives in a rural municipality and this person had come in—it was a stuccoed house—and had sprayed some kind of lime and silicone-based material on the house.

The contract provided for the provision of drop cloths over the shrubbery at the base of the house and the masking and taping of windows and doors and so on. No masking and taping was done and no drop cloths were provided. The stuff was put on—I didn't see it put on, but I saw the results this morning—with some kind of gun apparatus and every part of that house had splatters and pieces of this stuff on it which can't be removed. If it gets on the concrete, it stays on. If it gets on glass, it won't come off. If you put it on painted woodwork, it won't come off. The paint comes off with it.

This person had phoned the Ministry of Consumer and Commercial Relations and had

been advised to take pictures of what the house looked like before or to provide pictures. Obviously, the provision of pictures is marvellous, but the way this stuff was put on, unless you had a very good photographer at an additional cost, you probably wouldn't get the thing to show up clearly. What then happened was that he was advised to get two or three other people who work in that business to come and give an estimate on cleaning it up.

He called other people who worked in this business. When they came they said: "We can't give you an estimate because all we can do to clean up that mess"—and it was adjudged by the other two business people to be a mess—"all we can do is send a couple of people, or four or five people, out here for a week or so and let them work by hand at scraping and tearing the stuff off and replacing, repairing, repainting and whatever is necessary. All the glass that is splattered with this material will have to be replaced."

He has not paid the \$500 and the businessman who sold him the contract said: "That's fine, don't pay the bill. I ain't going to fix anything. That is just the way it is going to be. You can sue me if you want." I think he is eventually going to sue him because he is obviously talking about \$2,000 or \$3,000 worth of repairs. How does your ministry get involved in that kind of situation where a person phones up and says he has this problem with shoddy workmanship? It is not a new home. It is not a home warranty problem. Do we go back again to the courts? Is that the only recourse?

**Hon. Mr. Handleman:** As far as I can tell, I can't think offhand of any legislation that covers this particular consumer transaction. We have the Business Practices Act. The man has obviously not paid the money, which means he has rescinded the contract. He said, "I am not going to pay you," so he is not carrying out his side of the contract. Again, I am not going to give legal advice on a thing like this, but I would assume if there have been damages caused to his property he has the usual recourse to recover damages, whatever that may be. That is up to the lawyers to determine. There is no legislation covering it.

**Mr. Moffatt:** What sort of advice does your staff give when it gets this kind of phone call? Obviously you will have people phone in with this sort of complaint. We used to get them all the time, about the chimney repair people and so on. Is this municipal licensing that should take over? And if there



is no municipal licence, what sort of procedure does a person—in a rural municipality this is really a problem. These guys fly in and they are out again. You know, the barn painters and so on were around a few years ago.

[3:45]

**Hon. Mr. Handleman:** First of all, if this is an itinerant salesman, then presumably the company that employs him, or the person himself, is bonded under our Consumer Protection Act. They would ask that, I am sure. They would ask him, "Who licenses this man? Is he licensed by us?" There are a number of questions that would have to be answered and answers would be received. It is a form of interrogation. You ask what kind of advice? I think the best thing to do is to either come in or write a letter and let us investigate it. But don't expect an answer right off the bat. You can't expect to just snap your thumbs and we will have the solution to everything, because we don't and we never will.

**Mr. Moffatt:** A copy of this man's contract was sent to your ministry or was delivered there. I am just interested in what sort of proceedings—I will get back to this man and say, okay, Consumer and Commercial Relations is, or is not, going to do anything.

**Hon. Mr. Handleman:** We don't know until we have the problem put to us, certainly not in this way that I would tell you yes, we can solve it; or no we won't or we are unwilling to. I think you have to put a problem before us and let us see whether we have any kind of legislative tools to deal with it. If we don't, we try to mediate in a lot of things that we shouldn't be, and we are prepared to try that. Where a man has obviously said "I am not going to do anything," I don't see why we would waste our people's time going out to try to persuade him to do something. What would we do, threaten him with blowing on him?

**Mr. Shore:** Yes.

**Hon. Mr. Handleman:** I don't know. I ask Mr. Weinstein if he knows of any remedy for this kind of a situation.

**Mr. Weinstein:** Our first attempt, of course, is to mediate. Without legislative authority we will go to the supplier of goods or service. If we can't get anywhere, then what legislative teeth do we have in order to obtain redress for a victim? The fact is—and this is unfortunate—that a lot of people in the home repair business are not qualified

to be in the home repair business. I wish we had a ready answer to that one. They simply are not qualified. In many cases, price is offered as an incentive, so they may have two or three quotes. A legitimate supplier of silicone coating or siding or aluminum windows will quote a price, say, of \$1,000. Someone else comes along and quotes a price of \$500. The purchaser makes the mistake—it turns out to be a mistake—of buying the cheaper contract. But in so many cases, we do not have legislative teeth with which to bite. We do what we can and in many cases, we have to say, go to your lawyer.

**Mr. Chairman:** Mr. Moffatt.

**Mr. Moffatt:** I would like to say lots of things, but I don't think there is any point.

**Mr. Chairman:** Mr. Philip.

**Mr. Philip:** I wonder if I could raise with the minister, if it hasn't already been raised by someone else in these estimates, a company by the name of Bestline Products of Canada. I wonder if any of his officials can tell us whether they have had complaints about the operations of this company. I have received a number of complaints from constituents. I understand they were registered in November, 1974, and that the government has accepted their registration, but Helen Thiel at the Better Business Bureau informed me today that she is receiving an average of 15 calls a day about the company. The average investment that the people that she talks to are considering is in the neighbourhood of \$3,000. I understand from one of our constituents, who called earlier today about this same company again, that when he went down with his father or father-in-law to look at the whole thing, previous salesmen, or sales representatives, or distributors, whatever you want to call them, were out picketing the company and telling people going in that there was some kind of fraudulent operation going on. I am wondering what does the department know about this company and is there an investigation of its operations?

**Hon. Mr. Handleman:** My recollection of the company is that it is a pyramid sales operation. Pyramid sales operations follow certain patterns. They are not illegal. They must be registered. I am not sure what the present status of Bestline's registration is.

**Mr. Mitchell:** Yes, Bestline Products is the only pyramidal scheme that has a certificate of acceptance from the registrar. It is the only one we have in the province. Now, as to an ongoing investigation at this time; no,



there is not. I am aware there are inquiries made on a regular basis. Now again, once they have that certificate of acceptance, there is a rescission period allowed. I am not sure of the time on it, I would have to check the Act. Is it six months?

**Mr. Philip:** Six months.

**Mr. Mitchell:** Six months after getting into it they can get out; get part of their money back at any rate, less the cost of product, less training.

**Mr. Philip:** I understand that on a \$3,000 investment you can end up with about \$1,500 worth of soap suds in your basement, which is a pretty hefty chunk. The particular case that alarmed me was of a woman, a single parent, who borrowed \$3,000. Luckily somebody consulted her, a businessman in my riding, and got her to tear up the cheque. Just by accident, she had forgotten to endorse the cheque, and was able to go and ask for the cheque back in order to endorse it and tear it up. An unusual set of circumstances got her out of that kind of predicament.

**Hon. Mr. Handleman:** Have any of your constituents told you why they went into it? You know why they go into it. They think they are going to become millionaires. Let's face it. The pyramid sales system is based on the greed of the person involved. They really think it is a get-rich-quick scheme. They are fully convinced of that. We have registered Bestline. They have had to make full disclosure of everything they do; and they have, as far as we are concerned. If they haven't, then they are in violation of their registration.

**Mr. Philip:** With all due respect, Mr. Minister, and I am talking from second-hand information my constituents have given me, one chap who was speaking to me this morning informed me the majority of people at the meeting he went to were in fact new Canadians. They were largely people who didn't have large amounts of money. What these people were doing was not playing to a sense of greed, but rather to a sense of frustration. Some of these people didn't have very much and they wanted to make something in this country, or at least in the province. How many complaints are your department receiving? Is the Better Business Bureau receiving 15 calls? Are you receiving 15, or 100? How many complaints are we getting?

**Mr. Chairman:** What is wrong with greed anyhow? I mean, it is great. I listen to that every day in the House. Sorry to interject.

**Hon. Mr. Handleman:** I think I have received two letters on Bestline in a year and four months in this portfolio. I received a number of complaints about one other pyramid scheme. When we put them out of business, people complained bitterly about being deprived of their opportunity to become millionaires. Some of them were very sophisticated people; not the immigrants. They were secondary school teachers and university professors who quit their jobs because this particular pyramid scheme offered them the chance of a lifetime.

**Mr. Shore:** Before they resettled.

**Hon. Mr. Handleman:** We deregistered that one. They were quite upset about it. I really do feel people should go into these things with their eyes a little bit wide open. I understand the feeling of people who go into these and are really sold. They have a great pitch. I do wish people would be a little more cautious. Maybe Mr. Mitchell can tell you the number of complaints he has received. I know I have received two or three over 16 months.

**Mr. Mitchell:** I am advised that, only this morning, the registrar's office had the head of Bestline Products in for discussion. Last week they were successful in getting \$4,000 back for people who were unhappy with the operation. It was a situation where there was no statutory requirement for Bestline to make refund of moneys. I also understand there is an escrow fund upwards of \$300,000 involving Bestline.

**Hon. Mr. Handleman:** There is provision for restitution, but I think people have to let us know. If the Better Business Bureau is getting all these complaints, I really would suggest that it does not keep them to itself. The Better Business Bureau is fully aware of the pyramid registration system in Ontario and should be bringing these complaints to our attention.

**Mr. Philip:** In meeting with them, are you in fact starting at least to inquire into their operations again?

**Hon. Mr. Handleman:** They are registered, the only ones that are.

**Mr. Drea:** It is a little bit more than that. Maybe I can shed some light on it. There are great difficulties for people like the Better



Business Bureau and other people who are asked about them. You have other people in the direct selling business who, because they are widely known, are asked about them and there is a difficulty. They just can't come out, because of the legal constraints, and say they are crooks. I do, but nobody sues me.

The difficulty is, how can you get it across to these people that while on the surface it may be the opportunity of a lifetime—as the minister has said, there is greed and so forth in it, but by the same token there is also the legitimate ambition of a great many Canadians to own their own business—at the same time pointing out to them that it is an extreme, if not totally hazardous, scheme?

I think that we have worked out a very good system. There have been some instances in the past of other forms of advice, but the particular piece of advice is that if you are going to borrow—and oddly enough everybody who goes into it is going to borrow—then go to your bank manager and tell him precisely what you are going to borrow for. That seems to have a salutary effect.

What has come to light from time to time and is somewhat difficult to prove, is that people are being advised, not by the Bestline people, not by the principals, but by others who are into it, not to tell the bank manager or the finance company manager what you are borrowing for. Tell him it is for a holiday or it's for a car or something without a chattel. Well, it seems to be of great benefit when you go in there to tell the person who is going to extend the loan exactly what you are buying.

**Mr. Philip:** You are saying, then, that the counselling not to tell the manager has, at least to date, not been traced back to the Bestline company?

**Mr. Drea:** Not to the principals. However, you know, there are other distributors. The way they find out about this is by word of mouth. They talk to another distributor, what have you. There is always the type of pyramid arrangement and a friend wants to get them in. Sometimes the friend is getting a commission to get them in, or some other benefit which the friend conveniently doesn't tell about. The thing is that since supposedly they are all "little people," the banks will be reluctant to lend them money for a business venture; "so tell the bank you are buying a car, you are taking a trip, or you want to buy some clothes."

It has turned out to be of the greatest benefit when they do tell the bank manager or the trust company manager or the finance

company manager exactly what they are getting into. That person sits and gives them extremely accurate financial advice which is: "You are just going to blow the money out the window. Therefore, I have an obligation not to lend it to you. Thank you and goodbye."

**Mr. Philip:** Are you satisfied that The Pyramid Sales Act then is tight enough? Or should there be any amendments made to protect people from companies operating in the alleged fashion of this particular company? Or do you feel this would be too restrictive on other companies?

**Mr. Drea:** I would think that the minister would want to answer that, but I will give you a personal opinion. I don't think there is a law yet devised, nor a lawyer capable of writing such a law, that would ever really remove this type of operation from the scene. You might get rid of it in its present form. Nonetheless, you are playing with a very basic human frailty, which is greed. As fast as you clean up one end of it and you tighten it up absolutely, they just go over here and they say—and it has some appeal—that the government and big business are stopping you from being a competitor and that, therefore, this is why we can offer you this very special arrangement.

[4:00]

**Hon. Mr. Handleman:** There have been prosecutions, don't forget, but for the most part they seem to fail. Holiday Magic is the prime example of an organization being chased from one jurisdiction on this continent to another. We have chased them out of Ontario. They have been prosecuted in Quebec. They have been thrown out of Florida. They keep moving. As the deputy minister, not altogether facetiously says, it is the old Brooklyn Bridge game. How are you ever going to stop this kind of appeal to people who feel there is an easy way to acquire wealth?

I was shocked very early in my career in this Legislature to have a call from somebody who said: "You are putting Holiday Magic out of business and they are going to make me rich." I just couldn't follow it. I said: "My goodness, surely you don't fall for that kind of a thing?" I know the person. He said: "I am absolutely convinced this is the only way, and they have a good product."

One of the things we can do, and certainly the government is looking at it, though I can't tell you whether or not there has been any commitment made yet, is to bring in franchise legislation. It is very difficult to take franchise legislation and develop it along the same



lines as our security legislation. Security legislation is normally for a far more sophisticated person.

I want you to know that we did have a committee to study franchises. The report has been in the ministry for a while. It has been kicking around. We have been trying to devise ways and means that we will not end up with more legalistic gobbledegook where you are talking in terms of the small investor who wants to be an independent businessman. We try to simplify it and, at the same time, provide all the protection and it is not easy.

We are aware of the problem. The fact that we only have one registered pyramid scheme in Ontario, I think attests to the fact that we are pretty tough on registrations. You can imagine how the others were if you think Bestline is bad.

**Mr. Gregory:** I am just wondering what is being done by the ministry now in regard to the "boiler room" fund-raising business. I think you know what I mean. I don't know whether it is in this direct category but, if it isn't, I don't know where the heck it would be. It is a business. In many cases, these fund-raising operations certainly perform a service. However, I don't think it is being done in a way that is fair to the people who are attempting to raise the money. I guess we have all had telephone calls on this, from groups offering tickets to the circus and this sort of thing. The eventual recipients of the money, the people to whom the money is supposed to go to, can end up with anywhere from 10 per cent to 20 per cent to 30 per cent. The rest goes to the fund-raisers. Is there any kind of legislation that can be presented to prevent this?

**Hon. Mr. Handleman:** There are the usual laws against fraud. We have the Business Practices Act. We have one proposal for a cease and desist, as you know, with the Don Mills Jaycees and Holloway Productions people, who are circus operators. There have been some charges laid in the courts against another operator, Garden Brothers. We are fully aware of it. Again, We are trying to find the balance between the legitimate fund raiser and others. We went over this a few days ago about churches and the Cancer Society and the Heart Fund and so on. They are largely volunteer, but if they want to use professional fund-raisers they should not be denied, provided they make sure they get a fair proportion of the proceeds.

The Business Practices Act provides a great deal of protection. Then there are the usual laws against fraud and those are being used

for criminal prosecutions. I think we have it in hand. The other proposal that has been made to us, and we have rejected it so far, is the procedure of licensing professional fund-raisers. It is just, I suppose, a natural reluctance to license almost any kind of an operation which has its legitimate features. I would not want to think that every business in this province, whether it is fund-raising or hardware, has to be licensed by the province.

In some areas where there are abuses, we feel that the proper licensing authority is the municipality. This is what is done in Alberta. There is permissive legislation there to allow municipalities to license professional fund-raisers. Of course, it is only in the two major cities, Edmonton and Calgary, where this is any kind of a problem. Both of those cities have bylaws. Ottawa has a private bill which gives them the power to license and it is being done as a pilot project, at the request of the Ottawa-Hull Better Business Bureau. We are keeping our eye on the various developments and we think we will come up with an answer as good as anything that's been developed; but again we won't have all the answers and some of those proceeds are far less than 10 per cent. Some of them run around one and two per cent.

**Mr. Gregory:** Is there any way you can maximize the amount of commission a fund-raiser can take?

**Hon. Mr. Handleman:** You can do that, but again you're controlling commission rates. We do it in the securities field, at least the stock exchange does it. We could certainly look at that. My view is if we do it, then we won't have to register everybody to know who was in the business, and at the moment we rely on the normal business practices and the fraud provisions of the Criminal Code. I'm not really saying that we shouldn't be doing more; again we are in a period of restraints and we're trying to use our resources to the best possible effect and I wouldn't want to get into the business of licensing the Salvation Army if they decide to go into professional fund-raising.

**Mr. Gregory:** I don't think they'd use a boiler room to raise their funds.

**Hon. Mr. Handleman:** Oh no, but how do you define a boiler room? We know what it is.

**Mr. Moffatt:** With respect I don't think that's what Mr. Gregory was suggesting. I think he was suggesting people who actively work as professional fund-raisers and hire



themselves out to the Salvation Army and everybody else. Those obvious chartered charitable institutions are in a different class from the people who are the XYZ Promotions Inc., who put 27 people in to raise money for a church or whatever. Why is it not possible just to consider a licence procedure for them?

**Hon. Mr. Handleman:** It's possible; we could consider licensing. We have considered the licensing. We've looked at the Alberta model. We think the Alberta model is better because—it's just like the question that's asked every so often, "How many unregistered itinerant salesmen are there?" I think we have to really have people who are close to the scene, who are at the other end of the phone, to do it. We're waiting really to see how the Ottawa bylaw works. I'm not saying we've abandoned all possible provincial initiatives, but at the moment we would rather move slowly and wait for the municipal experiment to have a chance to work and see if it does.

**Mr. Gregory:** I'm not suggesting for one minute that we should be in the business of limiting commissions. Far be it for me to do that, but I do think when you are raising funds and using a charity as a motive, possibly that could be a vehicle by which you could limit the amount of a commission on that fund.

**Hon. Mr. Handleman:** Yes. As you know, our lotteries branch approves both province-wide fund-raising efforts through lotteries or any form of that nature, and municipal ones. Every so often I look at some of the statistics and some of these people start off getting about 10 per cent of the proceeds and spending 90 per cent on overheads and travelling and advertising and paying staff in the office and everything else. But as they acquire experience under the guidance of our people, they improve their performance. So nobody's perfect and I guess we just have to give them an opportunity to operate.

But if they are operating boiler rooms, we have our eyes on them. Mr. Mitchell's investigations branch is keeping a very close eye on the boiler rooms, and most of them are well known to us. It's not as though there is somebody operating out there whom we don't know. These people are well known and we keep an eye on them.

**Mr. Gregory:** I think too there's another facet of that operation that I can tell by what you said, that they are somewhat suspect or fraudulent, or what have you, and at the same time, hire people like students as

runners, and they are involving other people in that fraudulent operation quite innocently. This is very harmful.

**Hon. Mr. Handleman:** Yes, the most recent thing we've done is to write out to every known service club in the province and ask them not to lend their name to this kind of operation and the response we are getting is quite positive. Most of them are saying, "We have followed that policy for years," or "Certainly we will keep our eyes open and if we're approached on that basis we'll turn them down." I think if you deprive them of their market they'll soon go somewhere else.

**Ms. Sandeman:** I know that the Business Practices Act is a relatively new piece of legislation. I wonder if you could bring us up to date. I saw your table from last year. You had seven investigations, no prosecutions noted. Were there no prosecutions last year?

**Hon. Mr. Handleman:** Yes, we've had some prosecutions, very definitely.

**Ms. Sandeman:** I'm looking at green page, S-9.

**Hon. Mr. Handleman:** Prosecutions, under the total here, shows 49; and 58 in 1974. Are you talking about the Consumer Protection Act?

**Ms. Sandeman:** No, I'm looking at the Business Practices Act.

**Hon. Mr. Handleman:** Business Practices Act? No, seven in 1975.

**Ms. Sandeman:** That's investigations. What's the difference between investigations and prosecutions?

**Hon. Mr. Handleman:** No, I guess there have been no prosecutions.

**Ms. Sandeman:** No prosecutions in 1975.

**Hon. Mr. Handleman:** Well, that's not true. There have been some, but—yes, we're in 1976.

**Ms. Sandeman:** Yes. That was really the information I was looking for. Now that the Act is a year old, what has happened since the beginning of this year?

**Hon. Mr. Handleman:** Mr. Mitchell will tell you.

**Mr. Mitchell:** There are a total of 32 charges laid now under the Business Practices Act involving, I think, a total of six people, with perhaps more to come.



**Ms. Sandeman:** All these are pending decisions, are they?

**Mr. Mitchell:** There have been two before the courts. We lost both. It's new legislation. We find judges very reluctant to convict or to set precedent, at any rate, on new legislation.

**Ms. Sandeman:** Yes; this, I think, is the public perception at the moment. We have this piece of legislation and we're still waiting to be sure that it's going to protect consumers in the way that we hope it will. I think until we get some prosecutions, some convictions and the resultant publicity, we're going to continue to have that problem. I've heard rumblings: "Oh well, the Business Practices Act. Just another piece of window-dressing. I'd be reluctant to go along with that." I guess you feel some problems at the moment of convincing people to even lay complaints under the Act until they can see that there's going to be some action forthcoming.

There are investigations, but what people want is to have a fair hearing and to know that a conviction will result if there's a clear infringement of the Act.

**Hon. Mr. Handleman:** The investigations, of course, don't always result in prosecutions. Some of them result in the finding that there are no grounds to prosecute.

**Ms. Sandeman:** Sure.

**Hon. Mr. Handleman:** Many of them result in mediation being accomplished before you go to prosecution. I've looked at the list of prosecutions—I think I saw it this morning again—and I wouldn't want to anticipate our rate of success in these prosecutions. We're trying, I suppose, to zero in on the most flagrant types of practices in the hope that the courts will establish some kind of a precedent.

**Ms. Sandeman:** Could you just give me a couple of examples of the flagrancies that are being caught "in delicto," so to speak?

**Hon. Mr. Handleman:** They're before the courts. Maybe Mr. Mitchell can do; he's more used, than I am, to speaking without committing himself. He's used to dealing with the courts more than I am. I'm not much familiar with it.

**Mr. Mitchell:** Without naming names—

**Ms. Sandeman:** Of course not, obviously.

**Mr. Mitchell:** —certainly the types of things that we have been looking at under the

Business Practices Act are, of course, fund-raising or boiler rooms, encyclopaedia sales, door-to-door stuff, pots and pans, housewares, with misrepresentation involved. We tried one on smoke detectors, which is one we lost. Another is a mail-order house that we've looked at. I think dance studios is another one we've looked at—or at least on which we've taken some action.

**Mr. J. K. Young:** Sex therapists?

**Mr. Mitchell:** Yes, sex therapists too. We took away his flashlight.

**An hon. member:** Are you planning on registering them?

**Hon. Mr. Handleman:** They're already registered, that's the problem, we're trying to de-register them.

**Mr. Mitchell:** At any rate that's the type of activity we've undertaken under the Business Practices Act. Many of these things, of course, haven't been completed. When I say I mean administrative sanctions—the proposal for cease and desist or assurance of voluntary compliance or tribunal. On the other hand, many have not yet come before the courts.

**Hon. Mr. Handleman:** I think it's also fair to say that in some cases we turn the evidence over to the police—the OPP, Metro, or RCMP—for prosecution under the Criminal Code. On a lot of these things, while we do the groundwork, if, in the opinion of the director, they're more serious than would be warranted by prosecution under our Act, we turn them on to other authorities.

[4:15]

**Ms. Sandeman:** I guess really it needs maybe another complete calendar year before we see this Act totally in operation.

**Hon. Mr. Handleman:** I wouldn't want to let that pass. I think it is totally in operation.

**Ms. Sandeman:** No, I am sorry.

**Hon. Mr. Handleman:** The concern is whether or not you measure the success of the Act by the number of won prosecutions. I think our view is you measure the success of the Act by the number of successful mediations.

**Ms. Sandeman:** Yes. Your statistical chart doesn't show that. It might be rather interesting to include it. It shows investigations, seven, no prosecutions, and nothing under a mediation heading.



**Hon. Mr. Handleman:** In 1975, just over \$1.3 million actual recovered on behalf of consumers. That is under all of the Acts, of course, because we mediate under the Consumer Protection Act, Motor Vehicle Dealers Act, the Pyramidal Sales Act and the Real Estate and Business Brokers Act, which is the major one.

**Mr. Chairman:** Further questions under item 6? Mr. Moffatt.

**Mr. Moffatt:** May I say in passing—am I interrupting something here?

**Mr. Chairman:** No, it's okay, continue.

**Mr. Singer:** I am just reserving a space.

**Mr. Moffatt:** Would it be possible at some point for you to give us a little sketch as to the kind of background your staff has? How many people do you have? Not right now.

**Hon. Mr. Handleman:** I can tell you. We have three major divisions in the Business Practices Act and one of them is legal services, one of them is consumer advisory services and the other is investigation. Each of those has different skills. Then we have a registrations. So you have investigators who have background in investigation work, either police or some other form. You have our legal division, which has legal background and the consumer people have backgrounds in economics, business, and so on.

**Mr. Moffatt:** I want to deal with one of the areas in which I gather there has been a lot of activity and there still exists, apparently, a lot of confusion. I have a series of correspondence from a Mr. S. R. McCormack in Ottawa. These are copies of letters to the Registrar of the Consumer Reporting Act. Mr. McCormack raises the difficulty he had in interpreting the wording in the booklet which said originally—and I note now it has been changed—that when you go to look at your credit rating and the consumer reporting on you, you can see your file. That has been changed now to say something about disclosure.

I gather there is a great horror story which runs throughout this ministry about this word "disclosure", because somebody came into a credit-reporting institution and picked up the file and ran out with it and was subsequently apprehended and brought to justice and all the things that are supposed to happen happened to that person. As a result of that, when a person goes into get information about what kind of credit information is on file about them, they are not allowed to see the

file. They are told by the person that "There are four items or six items or whatever."

What really bothers me about this is the point that Mr. McCormack raises in his letter of April 9, which says that on April 2, 1976, I am quoting:

I telephoned your office and explained the situation to Mr. Magyar. He suggested I should trust the interview, that he was only recording information. [Mr. McCormack says.] I can see no reason to trust someone on blind faith who records information and sells it. [That point was not made by Mr. Magyar.]

In addition, Mr. Magyar advised me that the credit bureau did not have to show me the information, only discuss it with me. I have not had the opportunity of reading the Consumer Reporting Act, but I do have the brochure—

and so on. That is where your file statement comes from as you can see.

Now, there is a response to this. It is from Mr. Simone, registrar of consumer reporting agencies. It says:

Our Mr. Magyar's comments to you during your telephone conversation are the sort of comments I myself would have made. I can add that credit bureaus have a very responsible role to play in our society and they would have no reason to manipulate the information they store and report to their subscribers and to the consumer.

I agree that they have no reason to manipulate, but might it not be possible that they would misinterpret credit information?

The reason I raise this is because I have a very personal remembrance of somebody delivering some material 12 years ago to my home that I didn't order. He delivered it by mistake. It was supposed to go to my next-door neighbour and I left the stuff. It was about 50 bags of concrete and some seal bond and so on. I phoned and said that I hadn't ordered it and I didn't want the stuff. It sat there for three months. Of course, the cement was in good shape at the end of three months, through all the rain and everything.

I refused to pay for it, completely. I just wasn't going to take any loss like that and I was sent bill after bill after bill. That information, I gather, was recorded in somebody's file somewhere. A number of years later, about three years later, I went to purchase some fertilizer for my farm from a company in Peterborough. I wanted to defer the payment until the end of the crop year and I couldn't get it. I couldn't find out why. I didn't have a bad credit rating as far as I



knew. I have trouble paying my bills, as everybody else does, but I always manage to pay them at some point. Yet these people would not even tolerate that kind of information.

**Ms. Sandeman:** In Peterborough we're careful who we send our fertilizer to.

**Mr. Moffatt:** I know Peterborough is a bad place but the point is that this person, since the Consumer Reporting Act is law, has assumed that he now has some protection. He makes some very valid points that I think are worth considering.

I would like to know why in the devil we can't have a person see, actually physically view, their file. Maybe it can be kept chained to the desk or something so that no person can run out with it. In fact, they obviously prosecuted one person for running out with the thing. I don't see this great reluctance to let things be viewed by the public. I have another question. I don't know whether it is possible for a company to file credit information on me with one of their head offices in another country and then retrieve it at will. Can they do a credit check on me through one of their subsidiaries or parent companies in another country? Does that get around the Consumer Reporting Act to some extent or if there is protection, I would appreciate knowing just how that is prevented.

I want to quote finally from Mr. McCormack's letter of April 22—a final letter—which in the second paragraph, says:

I would like to address my comments to Mr. Simone's reply. His last paragraph suggests, by implication, that I'm maybe having credit problems but if I am not, I should not really be concerned with information which directly concerns me and is given to other people.

Mr. Minister, I reject very strongly the implication. First, I am not having any credit problems nor have I ever had a problem arranging credit. Secondly, I was of the opinion that the law provided every citizen the right of clear and accurate disclosure of the information held by the credit bureau. To suggest, as he did in his last paragraph, that I have no need for concern, is in my opinion totally inconsistent with the spirit and intent of disclosure [the word "disclosure" is important.] as required by the legislation.

Now I don't know; I have never met Mr. McCormack. I just got the copy of the letter but he obviously has gone into this to some extent and is a very reasonable kind of person, as you may have assumed by the letters.

I would like to have the minister's comments and wonder if there is any contemplated change in that provision or that requirement toward credit reporting agencies.

**Hon. Mr. Handleman:** I think I recall this matter being debated at great length when the Act was introduced by my predecessor. I recall him explaining some of the problems that would result from the consumer being handed his credit report and just left to his own devices. Most of them are stored on computer tape and that is the file. That is exactly what they have; and if you think you can read that, well I know I can't.

I think it is far more constructive to tell him what's in there about him, give him the right under the Act to correct false information and to assure him that it is not stored outside the country but must be kept here. In my view, that is the kind of consumer protection that was envisaged by the Act in the first place. Now, I can't comment on what Mr. Simone said—he's not here. What he said—

**Mr. Moffatt:** I am not attempting to zero in on Mr. Simone, but obviously he's trying to represent the views—

**Hon. Mr. Handleman:** But there was this, and as I recall, I remember myself wondering why it was they simply couldn't mail—if I was out of town, for example, lived far away from where the consumer reporting agency was located, why would I have to come in to be told what was in my file, because they wouldn't tell me on the phone—and I think for good reason. Why couldn't they simply mail me a copy of it? Again, it was because mailing me a copy of it wouldn't do me one bit of good, it wouldn't tell me anything. So there were a variety of reasons why it was felt it was best to sit down with the consumer reporting agency and discuss it with them and correct anything which was incorrect. I don't think you can ask any consumer reporting agency to remove anything which is correct, which in their view has a bearing on your credit; credit is still a privilege, not a right. But perhaps Mr. Weinstein can explain to you the interpretation of the Act as Mr. Simone has reflected it.

**Mr. Weinstein:** This is fairly clear. Section 11 of the Act reads:

Every consumer reporting agency shall, at the written request of a consumer and during normal business hours, clearly and accurately disclose to the consumer, without charge, (a) the nature and substance of all information in its files pertaining to the



consumer at the time of the request; (b) the sources of credit information; (c) the names of the recipients of any consumer report pertaining to the consumer that it has furnished (1) containing personal information within the one year preceding the request and, (2) containing credit information within the six-month period preceding the request. (d) copies of any written consumer report pertaining to the consumer made to any other person, or where the report was oral, particulars of the content of such oral report furnished, (1) where the report contains personal information within the one-year period preceding the request and, (2) where the report contains credit information within the six-month period preceding the request, and shall inform the consumer of his right to protest any information contained in the file under sections 12 and 13 and the manner in which a protest may be made.

[Section 9 provides:] A consumer reporting agency shall not report any information that is not extracted from information appearing in files stored or collected in a repository located in Canada regardless of whether or not the information was obtained from a source outside Canada, except where the consumer report is in writing and contains the substance of any prior information orally acquired that conforms to the requirements of this Act.

It might be well to note that while there are, as under any Act, violations of a text and substance of any Act, many people who complain about the operation of consumer reporting agencies are asked to make a written complaint, and when they are asked to do that, it turns out that they really don't have a complaint, that the information obtained about them which reflects on their ability to stand behind credit given, has in fact earned the kind of credit report which has been given. I think we should bear that in mind, that there are many legitimate complaints over a period of time about the action of consumer reporting agencies. There are, I am advised and believe, more who complain when they shouldn't complain, that their credit is bad, and that the reports so show; and when they are asked to put in their complaint in writing, they don't come through. This should be known. But the Act is clear enough in terms of the obligations of a consumer reporting agency to protect the interests of the public. And we find that in terms of the number of agencies operating, and the volume of business that they do, that the

grievances recorded by the public are relatively minor.

[4:30]

**Mr. Moffatt:** First of all, I don't entirely agree with your comments. This business of clarity of the Act obviously wasn't clear to the ministry when it was first written, because the word "see" was used in your own brochure—"you can see your files"—and that has since—the word is disclosed—that has since been withdrawn, so the clarity obviously isn't there. The business of taped information which the minister referred to: all of the files on people in universities, their marks and so on, now are stored on computerized tape units and yet transcripts are converted and given out as official transcripts. They are signed and so on, with no great difficulty, so the provision of that kind of information from a computer tape obviously is not the great problem that it might be led to believe.

The point that Mr. McCormack raised initially was that he was allowed to glance over the person's shoulder at the file. He said it was coded as having four items on that particular file. There was a lot more information on that file. That's why he asked the question. He obviously had no credit problem but he wondered what all of the other report items were on that particular file. What he had to do was assume that the person reading the information to him was reading it all accurately and was not misinterpreting it, which could happen, as we all know.

At the end he was advised that if he did not object to that particular tape, or the information, or the file that it would be noted that he agreed with what was there. Now if a person, at 10 minutes to five, on a Friday afternoon of a normal business day, anxious to get home, reads four of the five items which might be on any one particular piece of information and then notes afterwards that Doug Moffat was in and looked at his file and agreed with the information, that just may be an error that would go on for a long time and cause that person some difficulty.

I agree with Mr. Weinstein's comment that a number of people obviously come in to question credit reporting methods and then are in error. But to say that all of those people are fundamentally wrong, or that there is nothing difficult with the Act which is the implication I drew from it, is, I think, a bit of a misconception. There are obviously problems in the way this Act is being accepted and there are problems with the whole business of information on us being stored.



Just last week the minister commented that he was concerned himself as a citizen that the amount of material stored on any given person in this room is phenomenal. This is one little bit of information, that people are saying: "I would like to really know what you are saying about me in there." It requires a better interpretation of the word "disclose". Maybe it doesn't mean "see"; maybe it means a printout from that computer at a cost of 25 cents, or whatever it costs. I am sure a number of people wouldn't mind if that kind of procedure were implemented.

This gentleman obviously makes a very valid case when he suspects something wrong there. There may be nothing wrong at all but because of the way it was handled, the illusion was created that there's some hanky-panky in there or there could be. And he doesn't like to have that kind of information stored about him.

**Hon. Mr. Handleman:** Mr. Moffatt, if there are weaknesses in the Act, then obviously we have to look at them. I remember when the minister brought it in. He was quite concerned at the vast flood of complaints that were going to come. In fact there haven't been. Now you are reading one. I think we have had about two others in my office and maybe a half a dozen others down at the branch. This Act is working well. Surely to goodness we don't go and turn everything topsy-turvy because one person may not have been treated right under the Act.

I am not about to change an Act that is working well, almost perfectly as far as I am concerned, because somebody is dissatisfied. I think he has a legitimate complaint and we will deal with it but that is not to say that the Act is defective. I think that the Act is a good Act and I won't even accept a suggestion, if you are going to make it, that we should amend that Act. That Act is working well. I think it would be ridiculous to take an Act that's working so well and start fooling around with it.

**Mr. Moffatt:** I don't think I suggested that we should amend the Act or make any changes in it. Obviously there was confusion within your ministry about the definition of the word "disclose" because your original document said you could see your file. It doesn't say that for an obvious reason.

**Hon. Mr. Handleman:** The original document—

**Mr. Moffatt:** Maybe in the regulations or the way in which it is administered, you need to indicate to companies that if a person puts

in writing that they would like the computer printout, a statement verified and dated as of a certain date, that that is one interpretation of the Act. I don't want to go on at length but I simply wanted to point out that that word "disclose" is obviously one that is causing this gentleman and maybe others, some difficulty.

**Hon. Mr. Handleman:** I suggest you go back and look at the Hansard debates. It was disclosed. It was discussed at great length in the Legislature. It was made quite clear what it meant. It was exactly what was said to Mr. McCormack in that letter. You can learn what is on your file. That's disclosure and that's exactly the way it has worked and it has worked well.

If we're going to start talking about giving people copies or printouts from computers, then I think we're talking about a different thing entirely. As far as I'm concerned, that's the only complaint of that nature I received. I've received other complaints about the kind of information that we permit on the file, but that's the first complaint I've received about a person not finding out what's there. It seems to me that it may be somewhat exaggerated. I would agree that perhaps the manner in which it was responded to might have led to some feeling of discontent but the Act itself is working well and the fact that somebody wrote a pamphlet and used one word wrongly, in my view, does not indicate confusion.

**Mr. Weinstein:** I suppose the occasional practitioner will violate the spirit of an Act and the lawyers here know that this is possible with almost any piece of legislation where there is some spirit involved beside substance, and the odd consumer reporting agency might occasionally violate the spirit of an Act, that's all.

**Mr. Reed:** I can't see how the revealing of this information could upset or influence the Act any way, whether it is read by a person reading the material or whether there was an actual printout made and presented to the person for his or her perusal at their leisure. I don't see anything wrong with having to pay for a service of that nature when there's a cost involved. I just can't see how it can be in conflict with any intent. I happen to be one of those people who doesn't necessarily believe that computer technicians are without the ability to commit errors, and I have had some personal experience of that with errors that got lodged in computer and it took four years to get the error corrected.

Here is a case where you have the possibility of human error and I'm not thinking



so much now of the complaint aspect or the unjustified complaints or the ones of questionable justification, but just straight error that can be made that can affect a person's credit rating and so on, and they don't even know about it for years and years. I do feel too that it could be in the best interests of all the citizens if a printout were available, even if they had to pay for it.

**Hon. Mr. Handleman:** The chance of error, of course, is exactly why the Act was brought in. There had been countless cases of people who were being denied credit on grounds which were absolutely incorrect: Bill Smith happened to have a neighbour named Bill Smith who had a bad credit rating and they got mixed up in the computer. This is exactly why the first Bill Smith can now go down and say "I'm not the Bill Smith that you have on your file, correct it". And it's an offence not to correct it.

The cost of translating some of this information into lay language that the person will understand, and know what it's all about, would add to the cost of credit, and this is one of the things that the agencies have pointed out, that, sure, if the people want to pay for it—and it's not 25 cents, it costs us approximately \$10 to write a letter.

Interjection.

**Hon. Mr. Handleman:** Wait, you're talking about the actual cost of doing it, and it costs a great deal of money to do this. Now, that man obviously has to stand there and translate this to somebody and that's costly, but to actually give a completely detailed translation of what it is in lay language so that the person can understand it, I think, would be very costly.

If the agencies would come in, I suppose we could talk to them about the possibility of their giving us an estimate of the cost of doing it in a meaningful way that would help him, I'd like to know what that is and perhaps we could consider putting it on a cost recovery basis. Only it's not the government providing it, it's a private agency and they're going to have to charge their costs or else we'll all bear a share of the cost in what we pay for credit.

**Mr. Reed:** I can certainly appreciate that naturally the costs have to be covered. I am always concerned when we inject the mechanics into situations for purposes of brevity and efficiency and we make an error that gets passed on from generation to generation.

**Hon. Mr. Handleman:** I'll have to send you my collection of pins that I use to deal with computers.

**Mr. Moffatt:** That's a good practice but it won't work in theory.

**Mr. Chairman:** Does item 6 carry? Carried. Item 7, Mr. Singer.

**Mr. Singer:** I certainly am in favour of having appeal procedures under these various tribunals. I know Mr. Horwitz, I know he is a good lawyer, and I know he works hard. But I feel very strongly that he is highly underworked, and that there isn't enough for this Commercial Registration Appeal Tribunal to do.

Now we have \$120,000 this year that is going to be spent. Last year apparently \$126,000 was asked for and I presume something like that was spent. I think Mr. Horwitz is full-time on this, and there undoubtedly are some full-time staff with him. I don't know if any members of the tribunal are full-time as well?

**Mr. Horwitz:** Four.

**Mr. Singer:** Four full-time? So there are five people?

**Mr. Horwitz:** No, no, three plus myself.

**Mr. Singer:** Three plus yourself. So there are four members that are full-time?

**Mr. Horwitz:** Correct.

**Mr. Singer:** And there must be supporting staff? Now, when we look at the number of appeals that are dealt with, actually—and it is a little confusing here—it was either 17 or 18; if you look on page S9 in this blue book it adds up to 18, and the next page adds up to 17. I don't know that it makes much difference. Seventeen appeals or 18 appeals and some 60 days of sitting. Now it would seem to me that that is something less than working the abilities of these gentlemen to their full capacity—gentlemen and/or ladies. Are there any ladies with you on it?

**Mr. Horwitz:** Oh yes, we have one.

**Mr. Singer:** All right, these people are on something substantially less than their full capacity. It had occurred to me—and I think I commented on it in the House when it was decided that there be an appeal procedure under the Liquor Licence Act—that perhaps that could have been assigned to this appeal tribunal because, after all, you have trained people there who have a number of functions and they were picked for this job. I have never heard any complaints about the way they do it, but it seems to me to be spending an awful lot of money to deal with a



very minimal amount of cases, and the fact that four people are working 60 days during the whole of the year and spending \$120,000 seems to me an unusual amount of money. I want it carefully noted there should be an appeal procedure. I want it carefully noted I am not criticizing the ability of the members of the tribunal. I am just saying that surely there must be sufficient additional duties that can be put to these people by way of appeals that could keep them busy and take advantage of the skills they have, otherwise they are going to atrophy. I am sure when you take a busy lawyer like Mr. Horwitz and move him from Ottawa down to Toronto and don't give him enough to do, he is going to get a little slow on his thinking, which used to be very good when he was before the courts.

**Hon. Mr. Handleman:** You are not suggesting Mr. Horwitz—

**Mr. Singer:** No, I am suggesting this is quite possible. And I think that the department or the minister should figure out something more for these people to do. We are spending a lot of money, it is an important function, and merely because there have only been 17 appeals doesn't mean that that is the end of the function. There are all sorts of other things they could be given to do, and I think you should get them doing it.

**Hon. Mr. Handleman:** They are doing other things too.

**Mr. Drea:** How many days does the Court of Appeal sit in this province?

**Mr. Singer:** The Court of Appeal sits an awful lot longer than 60 days.

**Hon. Mr. Handleman:** First of all, Mr. Chairman, I should say to Mr. Singer, when we are talking about full-time members of the tribunal, they are on per diems except for Mr. Horwitz. The registrar and the secretary obviously are the staff. But we have something which has not yet resulted in a number of hearings but the Travel Industry Act will add considerably to the work of the tribunal. The new home warranty plan—it is anticipated that appeals on registrations and deregistrations will go to the Commercial Registration Appeal Tribunal. We think that they do a lot of review work. Mr. Horwitz meets with me fairly regularly and he does formulate suggestions for our consideration in looking at the Acts which come before them; and regarding consumer matters generally.

[4:45]

The last time I met with them they were in the process of reviewing a new bill before the House of Commons in Britain dealing with consumer affairs. They have the expertise to do that without being under pressure; it's the kind of thing we can't do in the ministry on an ongoing basis.

I find that the \$125,000 which we have in the budget is very well spent, that we get full value for our money and that the appeals which are heard there are very critical. I think you may recall one of the appeals that was eventually heard before the Commercial Registration Appeal Tribunal was highly publicized, and a decision was made which was very welcomed by me. Some of the other decisions that the tribunal makes are not welcomed by me; Mr. Horwitz knows that, but he still operates completely independently.

When you say they had 17 hearings, they had 60 sitting days and in our view there will be more work in the near future, but I don't think we want to triple that.

**Mr. Singer:** Turning over to vote 1307, I notice you've got \$385,000 in there for the Liquor Licence Appeal Tribunal. It would have seemed most obvious to me that you could have combined the two functions—

**Mr. Drea:** You voted for it; you wanted it.

**Mr. Singer:** Mr. Drea, if you'd let me finish. If you want to criticize what I'm saying, please do and I'll answer you, because what you said was just an insipid remark. I made these comments when the bill went through the House about the appeal tribunal and the usefulness of putting it together with this appeal tribunal. If you'd been listening, you would have heard it. And your earlier remark that the Court of Appeal doesn't work hard is—

**Mr. Drea:** If you're going to quote me, you quote me right. I asked you how many days the Court of Appeal sat in this province.

**Mr. Singer:** If you want to find out, go ask the Attorney General. He should know.

**Mr. Chairman:** Yes, Mr. Drea. Go ahead, Mr. Singer.

**Mr. Singer:** Thank you, Mr. Chairman. Obviously the minister doesn't agree with me. I would like to hear why we have a separate appeal tribunal for the Liquor Licence Board; why this function couldn't have been given to this tribunal.

**Hon. Mr. Handleman:** The reason we did that is that it is government policy to separate



it from the Commercial Registration Appeal Tribunal, to keep it as a single-purpose board.

**Mr. Singer:** That's fine. All right, Mr. Minister, can we hear from Mr. Horwitz what he does in addition to sitting for 60 days? It sounded great, but I still didn't understand what he does in the other 240 days.

**Mr. Horwitz:** Mr. Chairman, in answer to that, let me tell you that besides the 60 sitting days we have to prepare, first of all, for the hearing; secondly, we have to write decisions. Decision-making can take from two to three days for each one of the cases and sometimes as long as five days, depending on the time consumed in the case, because we've had cases go as long as 16 days. In addition to that, the superintendent of insurance has asked me to be the chairman of his advisory board, and I've done two sittings for him as well. They were approximately three days apiece and the decision-making was about two days apiece.

Besides what I've just informed you, we have another aspect of our duties; that is, to advise the minister on consumer affairs. The result of that is we have panel meetings, which are not indicated as days of hearing. At that time, we come together in order to make a study of various things that have been brought to our attention as a result of the various hearings we've had and in addition to our readings; these are discussed and recommendations are made. I can tell you, as a result of some of those recommendations, the cabinet has seen fit to introduce legislation.

There is no question in my mind that we could do more work.

**Mr. Singer:** All right. That's my whole point. There's the admission from the chairman. With such a big field of responsibility, surely it must be within the initiative of the minister and those people advising him to find some more work for these people who are very capable and can do it.

**Hon. Mr. Handleman:** Every cease and desist order which is appealed goes to the Commercial Legislation Appeal Tribunal. We're just now beginning to get under way on cease and desist order appeals. As far as I know, there hasn't been one appeal. We've issued them, but they haven't been appealed—mostly because, I suppose, the people we're dealing with admit that the cease and desist order is a proper one. They're there.

The Travel Industry Act is the same. I think there has been one hearing under the

Travel Industry Act. I would anticipate there will be many more this year. And under the Home Warranty Act, as I say, I assume there will be a considerable number of hearings there, particularly in the initial stages.

I think there will be enough work to keep the Commercial Registration Appeal Tribunal extremely busy. I quite admit, Mr. Horwitz has told me in the past year that there could be more work given to the board. I don't know what you can give to the board other than the work that arises out of the normal course of the administration of our legislation.

**Mr. Singer:** I think one is the Liquor Licence Appeal Tribunal, but you say that isn't government policy. It should have been, as I said to you when that went through the House and I will say again now. Another thing: With all of this advising and additional work that the chairman is doing, perhaps the members of the Legislature should have the advantage of hearing what these additional functions are in the form of some kind of report. We would all be interested perhaps in hearing what kind of advice might arise from the examination of a statute in Britain that deals with similar matters.

**Hon. Mr. Handleman:** I can also invite you to my daily briefings with the deputy minister, but I won't, Mr. Singer.

**Mr. Singer:** I am not suggesting that. But here we have a board that is set up, and apparently in their spare time they look at other statutes from other jurisdictions. If they have things to recommend, why shouldn't it be a recommendation to the members of the Legislature?

I noticed at your meeting over the weekend—and I presume both you and Mr. Drea were there—there was considerable agitation that information should be made public and that the members of the Legislature should be given certain access to the materials that come forward. What could be more obvious than to have Mr. Horwitz and his associates give us information on what they think of a British statute?

**Hon. Mr. Handleman:** Mr. Singer, everything that I have received from the tribunal in the form of a report has been made public. I hold before me the latest one, which you received; I don't know whether you have read it or not, but it's available to you. There's a lot of interesting subject matter in that report.

**Mr. Drea:** I just want to keep Mr. Singer always in perspective. For the record, I want to correct the remark that was made about



the Court of Appeal in Ontario. All I posed was the question, does the Court of Appeal, which sits in judgement on lower courts, necessarily have to meet every day? I think the ultimate point in justice in this province is that the Court of Appeal would not have to sit; that every decision rendered by a lower court would be absolutely perfect. I think the law profession and Mr. Singer, I am sure, being part of that profession, would agree to that.

Now, I can think of one easy way to give Mr. Horwitz far more work than he could probably handle, and that is for the enforcement part of the ministry to become extremely sloppy in the presentation of its cases. That would give him enormous numbers of appeals.

On the other side, I think one of the things that should be pointed out is that over the tenure of Mr. Horwitz and of the entire appeal procedure, one of the things that has happened is that his judgements have a very profound impact upon the ministry and upon the way things are carried out.

If he is in the position where he meets 60 days a year to hear evidence and meets a number of other days to write his decisions, I think it's really a testimony to his work as the appeal court. Obviously it has had considerable impact, because the number of decisions that now are being rendered by the ministry that would put a person out of business, or at the very least impose a substantial fine upon him, are immeasurably more numerous than when he first commenced his work. Also there is the fact that people choose not to appeal to him, when they have such things as legal aid and a number of other means of access to counsel so they can be properly advised.

I would rather suggest that Mr. Horwitz has really fulfilled a double function. He has served as the court of appeal; and his appeals are not only read, but they are carried out into practice. Surely that is the whole object of it; when a person comes before this ministry, whether they are a corporation or an individual, that they receive fair and equitable treatment.

**Mr. Singer:** To carry this argument to its ultimate stupidity, let me say that if, in theory, the Act was absolutely perfect and nobody ever appealed from anything, we would still continue to spend \$120,000 to keep an appeal tribunal sitting there in case something might happen. That's the absurdity of that argument.

**Mr. Drea:** Yes, that's the price of justice. That's the price of democracy in Canada. And if you can't understand that, my friend, then maybe you had better go to a meeting.

**Hon. Mr. Handleman:** I think if we had provisions for appeals to a tribunal such as this, and there were no appeals for two or three years, we would probably take a look at the possibility of disbanding it—

**Mr. Singer:** Thank you.

**Hon. Mr. Handleman:** —but then we would also have to take out the right of appeal to the tribunal, because it wouldn't exist in the event that somebody did.

**Mr. Singer:** I'm suggesting a very simple thing—and I'm quoting Mr. Horwitz himself, who said he could do more work—I think you have enough going on in your ministry where you could assign him more work.

**Hon. Mr. Handleman:** He has 12 Acts now, and two more coming up.

**Mr. Singer:** He says he needs some more work; that establishes my point.

**Mr. Chairman:** Any further debate on item 7? Item 7 is carried.

**Mr. Singer:** Could we discuss those two things that are statutory, Mr. Chairman?

**Mr. Chairman:** Yes, strictly speaking, we can.

**Mr. Singer:** I missed the earlier item on the motor vehicle accident claims fund. I understand my colleague, Mr. Reed, talked about the importance, in his mind—and I agree with him—of compulsory automobile insurance. I note the comment in this blue book where somebody has said if you increased the payment into the fund from \$60 to \$100, there is going to be a lot more lawbreakers. Whoever wrote that, I think, has got the wrong approach. The \$100 is going through or has gone through, hasn't it?

**Hon. Mr. Handleman:** Effective Dec. 1.

**Mr. Singer:** It's got nothing to do with lawbreaking; it's got to do with a philosophy. Surely that is no real excuse for insurance. We've never really been able to sell it to an awful lot of those uninsured people, that \$25, \$30 or \$50 is not insurance of some form or another. If the usefulness of that term is going to be to produce a whole bunch of lawbreakers, then I think the whole thing is an exercise in futility.



As I argued when we established that fund at its lowest amount, and I've argued it every time since, surely it's important that it be a part of Ontario law, that everyone who drives on the road—and that is a privilege, not a right—should have to have insurance up to the minimum amounts. The \$100 is absolutely meaningless.

In other jurisdictions—maybe that's what the comparison is; perhaps somebody should go back and look at the reports of the select committee of that day that dealt with automobile insurance. When we went to New York, for instance, we found that many people avoided the New York law by registering their vehicles in the neighbouring states. New York is touched by four or five surrounding states, and they could do it with fair ease. But here it is going to be pretty difficult for someone who lives in Ontario to register in Manitoba or Quebec, except on the border areas, or to register in the American jurisdictions. It would seem to me to make good sense that everyone who wants the privilege to be on the road should have to carry insurance to the minimum amount.

**Hon. Mr. Handleman:** I don't want to belabour this point because we have discussed it. As I said last year, I accept in principle the philosophy of compulsory automobile insurance. Perhaps you'll have an opportunity to update the report in that respect in a very short time and I'll look forward to receiving it.

**Mr. Singer:** That's all I wanted to say on that one.

**Mr. Chairman:** Is there further debate with respect to the statutory items?

**Ms. Bryden:** If I might get into this discussion about auto insurance for a minute, I certainly agree with my hon. friend across the way that we do need compulsory auto insurance in this province. But the question is, once it's going to be compulsory are you going to have it with a multitude of carriers whom you then would have to regulate very closely since you're handing them business on a platter in a way? And if the minister is going to recommend compulsory auto insurance, does he have plans for regulating automobile insurance rates? Or will he consider a public plan where the rates would be set by the state?

**Hon. Mr. Handleman:** We could debate that for quite some time, but I don't think I will. Simply, I'll say that I don't think we're handing them very much on a platter. What you're handing the insurance companies on a

platter are the worst risk drivers, amounting to something like two to three per cent of the driving public. So I don't think they are particularly anxious to get it. If you have compulsory insurance, you'll be imposing them on the insurance industry.

**Ms. Bryden:** But isn't that the benefit of a government plan, that you can tailor the rates to the actual risks for each person and the bad-risk drivers would pay their full premiums?

**Hon. Mr. Handleman:** It's never been done anywhere else in a public plan; I don't know why it would start now.

**Mr. Singer:** Your use of the words "imposing the bad risks on the industry" flies in the face of what the industry has been telling us.

[5:00]

**Hon. Mr. Handleman:** Oh no. They want compulsory insurance but they would like to take the bad risks off the road. That is the other side of the coin.

**Mr. Singer:** Yes, and the compromise we arrived at then was that the government will determine who is to be insured, and if the government sees fit to give X a licence then the industry has to figure out a way to insure them. Then the industry said, "Yes, that is fine. We will do that." Then there was supposedly going to be an appeal tribunal to deal with that. It never got set up.

Vote 1302 agreed to.

On vote 1303:

**Mr. Chairman:** We will go to vote 1303, which has to do with technical standards of all kinds. Programme administration, item 1. Mr. Moffatt.

**Mr. Moffatt:** Mr. Chairman, in programme administration, the estimate for 1974-1975 was \$208,000, compared to an actual of \$194,245; the estimate last year was \$266,100; the estimate this year is \$264,300. Is that a further move by the Treasurer against the minister? What accounts for that significant change in the technical standards programme, which I would think should be fairly consistent? In other words, there are so many elevators, there are all of these other devices and programmes, so what accounts for this drop in funds? Could the minister at the same time perhaps indicate, as a sort of general catchall opening, what great things are planned for this section this year?

**Hon. Mr. Handleman:** I really don't think a difference between last year's estimates and



this year's estimates of something like \$1,800 is a substantial change, or even a substantial reduction. The administrative part of this division seems to be relatively stable, and I don't recall that this was cut by the Management Board in any way. I think this is what was requested because it's what is required in order to carry out the programme of the division.

**Mr. Moffatt:** You are not anticipating any cut in number of people inspecting or—

**Hon. Mr. Handleman:** Wait, you are talking about programme administration. If you are—

**Mr. Moffatt:** I am sorry, do you want to make that clear? I am sorry.

**Hon. Mr. Handleman:** In programme administration, we are talking about the administrative activity in the headquarters here. The number of people who are in the various divisions is in each vote. In the area of operating engineers etc., the pressure vessel inspection, you will notice, is up from last year. That's an actual inspection service. Under administration, the figure for salaries and wages is \$120,000 as compared to the same amount last year. Employee benefits are up slightly, transportation is up a little bit, supplies and equipment are down. It has remained fairly standard. The complement of the whole place is five people and it is the same as last year.

**Mr. Moffatt:** In your opening comments at the beginning of these estimates you said that as we got to each one of the programmes you would try to elaborate on what was going on, and in your opening comments, and as I read them over the weekend, there was no mention of this particular vote, other than that it involved upholstered materials and so on. I just wondered if there was any change contemplated or if you were relying upon your past excellence?

**Hon. Mr. Handleman:** No, I don't think there are material changes. Mr. Yoneyama is here. This particular vote is the policy area of the technical standards programme and I am not aware of any new initiatives in it. The Building Code, of course, is in for the first time this year but that is—

**Mr. Moffatt:** That is exactly why I ask the question—why that budget under programme administration would remain so constant when we have such a major change in Ontario as that Building Code?

**Hon. Mr. Handleman:** If you will look at the Building Code you will see a fairly major

change in the amount of money involved. The Building Code is something that is new. It's been developed and the development costs have been paid and now the administration of it is ongoing. We will get to that item later. As for development of policy, the policy is already developed. The Building Code has its own budget. The policy development still remains with Mr. Yoneyama and this small group of people.

**Mr. Moffatt:** What I'm concerned about—and I don't want to go on for hours—is that maybe I don't completely understand the workings of a branch within a specific ministry, but if the policy, the theory, and philosophy I suppose, of the standardized Building Code were, in fact, developed within this vote last year, or in previous years, and this year we're transferring the theory into a practical fact, with people working in the field and implementing the work that was done last year, how do we get the expertise developed and the work done by the five people who worked with Mr. Yoneyama into the building code group? Does the file of documents get picked up, moved down the hall to room No. 62 and left there? I don't understand really what this part of the estimates really does.

**Hon. Mr. Handleman:** I guess I'm not succeeding, and I'd better let Mr. Young explain. There is a great deal of difference between programme administration and programme delivery. Maybe Mr. Young had better try his hand at explaining it, because there is a vast difference between the two things.

**Mr. J. K. Young:** I'm not quite sure what you have in front of you, Mr. Moffatt, but under programme administration, 1975-1976 estimates, there's \$266,000 and that's what we're discussing right now. The whole vote for this technical standards programme is \$5.5 million, so really all we're talking about right now, with 1303-1 is the \$266,000 associated with administration of the programme. There's boards and committees, there's a little money for studies and there are five people who administer the headquarters part of this programme, and that's what we're talking about now.

**Mr. Moffatt:** That's the liaison between all of these other branches?

**Mr. J. K. Young:** Well, it controls them and runs the division. When you get to the building code, then there are other people who administer the building code per se and they have something like \$661,000, and so it goes



for the other divisions. So I think maybe we have a misapprehension as to what we're discussing under 1303-1. Does that help in any way?

**Mr. Moffatt:** I candidly admit to a misapprehension. I asked what sort of new thrusts or whatever this branch was going to be involved with and the minister said he didn't think that there were any new programmes coming up.

**Mr. J. K. Young:** He was talking purely about the headquarters admin function, the five people and the small board associated with it.

**Mr. Moffatt:** That's fine. Okay.

**Hon. Mr. Handleman:** I think policy development is an ongoing thing and the people in the various programmes are developing policy too, but it all comes up through the administration and directly through Mr. Yoneyama, who is the overall director.

**Mr. Chairman:** Item 1 carried? Carried. Item 2, operating engineers. Any comments? Item 2 carried. Item 3, pressure vessels. Any comments on pressure vessels?

**Mr. Moffatt:** Just one brief comment. Is there a move by the ministry, or is it a commercial move, that some school boards in particular are making to go into a lot of chemical involvement to protect these vessels and, in fact, that's causing tremendous expenses? The reason I ask is that the school where I was principal for a number of years all of a sudden bought a contract from a chemical company and injected chemicals into the pressure vessel which was in that particular school. Immediately, the whole thing had to be replaced, because all of the rust that had built up to protect it over the years was dissipated, I suppose. Is this a major encouragement that you people are doing, or is it something that one school board is doing?

**Hon. Mr. Handleman:** I'll leave it up to Mr. Yoneyama and his staff to answer that.

**Mr. Yoneyama:** Mr. Chairman, I believe it's the water softener or the water treatment equipment, as you've described the case.

**Mr. Moffatt:** The company was Bird-Archer. It put a water conditioning agent into the water in the pressure system on a regular basis and immediately the whole thing fell apart. It's been there for about 15 years. I just wondered if it was an initiative from

your ministry, or a recommendation? You don't cause vessels to fall apart and so on?

**Mr. Yoneyama:** Not intentionally, sir.

**Mr. Moffatt:** All right, I just raise it in passing.

**Mr. Reed:** I have a brief comment regarding pressure vessels. I know that you vary your standards for manning various boilers and so forth, depending on the type of application they have. In other words, there are some systems where, under one application, they do not have to be manned by a fourth class engineer and other systems where, in the same steam generating plant, the same pressure vessels do have to be manned. I expect that your standards are under constant change and constant review, but there have been a lot of improvements made in recent years in the automation of steam-making equipment and one wonders whether, in all cases, they still have to be manned. I'm not really making myself very clear, am I? I know, for instance, an application of a boiler in agriculture, in a greenhouse, does not have to be manned if it's a particular type. The same system at another plant, a knitting mill or something, would require to be manned.

**Hon. Mr. Handleman:** There is a great deal of difficulty in this area to determine when you should require the attendance of an engineer and when you shouldn't. I don't know of anything that causes more difficulty in changing that, because obviously what you're doing is you're affecting the employment of engineers when you say you don't require this one to be manned on a 24-hour basis, or you only need spot inspection services, or you don't need anything at all. I know that Mr. Wright, who is the new man in charge of this, can tell you some of the problems involved. I do get recommendations from the branch from time to time about exempting boilers from the necessary engineer presence. They are quite delicate sometimes. The unions, for example, complain when you exempt the boiler. Manufacturers complain about redundant labour costs when you don't, so I'll leave it up to the gentleman in the branch, who can speak on it.

**Mr. Reed:** It will be interesting to hear the comments.

**Mr. J. K. Young:** May I say a word here? Vote 1303-2 is operating engineers and immediately the Chairman said "Carried," our chief operating engineer picked up his briefcase and went home.



**Mr. Reed:** That's my mistake, because I didn't know whether to include this comment under pressure vessels or operating engineers.

**Mr. J. K. Young:** Nevertheless, we'll respond to your question. I just thought you shouldn't be so quick to pass these votes and then go back at them—

**Mr. Reed:** Thank you.

**Mr. J. K. Young:** We lose our expertise too rapidly. You didn't let me finish my sentence.

**Mr. Reed:** I'd like to get some discussion on the automation of boilers, because I see a double standard in terms of manning these plants where a boiler is quite sufficiently automated to operate on its own with the built-in shutoff mechanisms, the safety devices and so on. In some cases it does operate on its own and it does it quite well, but put the same boiler into some other industry or plant and it requires manning 24 hours a day. That's the question I'm trying to get at.

**Mr. Yoneyama:** The distinction has been made—I don't want to get too technical here—

**Mr. Reed:** It's okay.

[5:15]

**Mr. Yoneyama:** —as to whether it's rated as a first-class plant, for instance, as opposed to a fourth-class plant; the fourth-class plant is less hazardous. In addition to that, we call some of the plants guarded plants, which means, as you've indicated, they are the ones possessing the safety devices in accordance with the regulations. Those plants do not require a full-time attendant. On the other hand, if you take the Lakeview plant, for instance, being a first-class plant it will require an attendant for the various shifts. We do recognize the advancement in technology in terms of automation, keeping in mind, of course, as the minister has already indicated, that we don't want to create unemployment by rapidly making the changeover.

**Hon. Mr. Handleman:** I wouldn't want to let this vote go without pointing out some of the statistics, because it is a branch which operates pretty well outside of the eye of the public, and I was just looking at the statistics for last year. There were 91,900 inspections, pretty close to 92,000; 19,000 certificates issued; 10 accidents, none of them fatal; and four injuries all told in this province, dealing with fairly dangerous equipment, so I think the branch does an excellent job, as well as the industry itself.

**Mr. Reed:** Yes, Mr. Minister, I am not really trying to question the effectiveness of the branch here at all. I was only trying to relate what appears to be a double standard here, depending on where you put the boiler.

**Hon. Mr. Handleman:** No, I was just putting in a gratuitous comment, it wasn't with regard to your point.

**Mr. Reed:** I'm trying to inject the practical aspect. What you seem to be saying is that the technology is overtaking the market in fourth-class engineers, or stationary engineers, and it may be some time before that washes through.

**Hon. Mr. Handleman:** There is a shortage of them.

**Mr. Reed:** Oh, there is a shortage of engineers?

**Hon. Mr. Handleman:** There was at one time. Mr. Yoneyama may correct me.

**Mr. Reed:** If that's the case, you might perhaps be able to have more unmanned systems as time goes on, is that right?

**Hon. Mr. Handleman:** I leave that to Mr. Yoneyama. I can't say. There was a time when there was complaint from the union when we exempted a particular type of boiler, and the complaint was that this was putting people out of work, and our statistics indicated that there was plenty of work for the people with those qualifications to do, and while they might be displaced from that particular job, there was plenty of employment opportunity in their field.

**Mr. Yoneyama:** The industry is, at the present time, facing some degree of shortage in the first- and second-class engineers, but in the third and fourth classes we do have, I don't want to say plenty, but there are enough.

**Mr. Reed:** I think what you are indicating to me is that, especially in the fourth-class field, perhaps technology is making their job redundant.

**Hon. Mr. Handleman:** We provide, of course, opportunities for upgrading. I guess it is Colleges and Universities that has taken this over, but there is ample opportunity for people to upgrade themselves.

**Mr. Chairman:** Shall item 3 carry? Carried. Item 4, elevating devices

**Hon. Mr. Handleman:** Popularly known as lifts.



**Mr. Moffatt:** I don't know how much time we need to spend on the elevating devices, but I just wonder, when elevating devices are being considered for such buildings as the CN Tower and so on, are there special provisions for such elevating devices and so on? Obviously, the height of that particular structure and its design must pose some pretty specific problems, and I would be interested to know just what sort of procedure you had to go through in order to approve the design of the elevating device which is in, or will be in, the CN Tower?

**Hon. Mr. Handleman:** Mr. Smith is here. Perhaps he can tell you.

**Mr. T. G. Smith:** The elevators in the CN Tower, as an instance, are designed to the same standards, the B-44 standard, that we use for all elevators. The special things about the CN Tower would be the length of travel and the fact that it is a scenic-type elevator. Otherwise, there really isn't a lot that is different from a highrise building, say the First Canadian Place, where it is a total inside elevator. There really isn't a lot of difference. They are all built to a very high standard.

**Mr. Moffatt:** Do you have a set of standards that you give out in advance, which the architect or the engineer designing complies with, or asks for deviation from?

**Mr. T. G. Smith:** Yes, there is a very precise, constantly updated standard, which is a rather thick book, which is used throughout Canada for elevators and elevating devices. Then, of course, we have our own regulations and the Act, which cover the administrative sections, but the technical parts of elevators are really very well covered by the B-44 code, into which we have a great deal of input as well as the other provinces.

**Mr. Moffatt:** That's a federal code is it, or a national code?

**Mr. T. G. Smith:** No, it's the Canadian Standards Association.

**Mr. Moffatt:** Oh, okay.

**Mr. Chairman:** Any further discussion? Item 4 carried. Item 5, energy.

**Ms. Bryden:** Mr. Chairman, I just wanted to inquire about the fatalities that we seem to have had under energy safety. I notice in 1974-1975 it was 24, then it dropped down to 12 the next year, but it is back up to 22. Last year I recall there were two or three rather spectacular episodes or accidents, the Sudbury one in particular. I would just like to ask the minister if the recommendations

of the inquests or juries from those accidents have led to changes in the methods of inspecting or controlling energy use—natural gas particularly—which seems to have been involved, or does this come under this particular vote?

**Hon. Mr. Handleman:** I'm not sure of the accidents that you are referring to. I know the statistics that you're talking about. Perhaps Mr. Yoneyama and Mr. Jones of the energy safety branch can solve that. There were only 12 fatalities in 1975-1976, and, I see under my statistics, 22 in 1976-1977, which is not here.

**Mr. Moffatt:** Predicting someone's demise?

**Hon. Mr. Handleman:** I don't know how we forecast the doubling of accidents next year.

**Ms. Bryden:** Presumably it means that there have been 22 to date, but then this is a fiscal year, is it not?

**Hon. Mr. Handleman:** Are these dates wrong in here?

**Mr. H. T. Jones:** There is something wrong.

**Hon. Mr. Handleman:** Yes, well maybe Mr. Jones can clear it up, because those figures are out.

**Mr. H. T. Jones:** Obviously the columns have got interchanged. There is no way that I would be predicting 22 deaths in the coming year. Regarding the question that was posed, one of the major accidents that threw that 22 out of phase was that one in North Bay.

**Ms. Bryden:** It is North Bay. I thought it was Sudbury. I'm sorry. You are correct.

**Mr. H. T. Jones:** Yes, it was a single accident and there were 10 fatalities. In that case, there was an inquest called and the determination was that mechanical equipment was used to abandon a service—a building was being torn down in the middle of winter, they were using mechanical equipment and their location drawing was improper and that's how they hit the gas service. The gas migrated into the building under the frost cover and it was an old stone-type basement wall, which just acted like a rough filter and the gas got into the building. It was a sad affair, because the whole building got to an explosive condition and when the ignition came it was a total structural failure.



The one accident was the one that threw our statistics out that year.

**Ms. Bryden:** Is there any way of taking steps to prevent the sort of mistake that happened and caused this 10-death accident?

**Mr. H. T. Jones:** There is no way we can guarantee that we won't have human error. This was a human error; this man on that day did things that he knew better than to do. We have come down pretty hard on the natural gas distributors. They have improved their training and the dissemination of information to their work crews. Indeed, we saw fit to initiate a court action subsequently in one that was closely related. There wasn't a large number of fatalities but one of their own men was killed. These are public utilities and admittedly the regulations are of a broad nature, but in operating public utility, by and large, with these two exceptions, in my experience the attitude has been a very responsible one and I just can't come down and clearly indicate, other than a human failure on the two days in question, why these things are done.

**Ms. Bryden:** Mr. Chairman, this ministry is responsible, is it not, for the regulation of those public utilities as far as safety standards go? Perhaps we should be developing some sort of a failsafe system or a double check to prevent human error.

**Hon. Mr. Handleman:** As I say, I think Mr. Jones pointed out that we are dealing here with hazardous materials, and you can develop all the standards in the world but if somebody is going to do something careless it's very difficult—I would say almost impossible—to anticipate every possible human action that could result in an accident. They have two Acts to administer, the Energy Act and the Gasoline Handling Act, and I think the record in preventing fatalities and accidents generally has been very good. The fact that there are going to be some fatalities when you are dealing with things like gasoline or natural gas or propane is a question of training people rather than developing a system.

**Ms. Bryden:** Is it not also developing systems where there are double checks in cases where this kind of thing could happen?

**Hon. Mr. Handleman:** I think most of the systems are. The question always arises as to the public interest, and you can develop them to the point, as you say, where they are failsafe and the public then revolts at the cost of them. Regarding our gasoline handling

regulations, people complain about what they consider nitpicking when we consider it absolutely vital that the containers be safe, that you don't take a rusty tin can from your garage and get gasoline in it. People say, "Well, it's the only one I had. Why do I have to get the one that is approved?" You have to try to meet the conflicting needs of people. In this case, public safety is obviously our foremost concern.

**Ms. Bryden:** Just pursuing a slightly different aspect of the safety question, are you responsible for the inspection of pipelines within the province?

**Hon. Mr. Handleman:** I am not too sure whether we are responsible for interprovincial pipelines, are we, Mr. Jones?

**Mr. H. T. Jones:** No, sir. The interprovincial pipelines are a federal responsibility under the National Energy Board. We do have a responsibility for the intraprovincial gas and oil lines. We do not assume direct inspection responsibility, however. We lay down general requirements and standards for the industry, and our small staff does an audit or a spot inspection of the procedures of the companies involved in the pipeline project.

**Ms. Bryden:** Why I asked the question was, having seen the W-5 programme on the interprovincial pipelines, the photographs of the joined sections apparently showed defects, but they weren't properly studied or registered or action wasn't taken in all cases. Do you have a similar sort of problem? Do you have to look at the photographs of the pipeline joints and so on and see whether you think they are built to standards or whether they should be inspected on a regular basis? [5:30]

**Mr. H. T. Jones:** I saw that W-5 programme. It is a very complex issue. It was greatly oversimplified on that programme. We do not undertake to evaluate the radiographic pictures that are taken on those wells. It is a very complex issue. There is a small number of expert consultants in Canada involved in that and we depend on their evaluation of those. As I say, it's a very complex thing and very complicated.

However, there is hydrostatic test imposed on the new line going into service, and you won't be long in discovering the imperfect wells under that pressure. But, again, that in itself creates a certain safety problem we don't want with those extremely high pressures. We don't want lines letting go,



even under test, if we can avoid it. But occasionally the test does prove out something and we do have the problems. We don't attempt to evaluate those x-ray pictures. It is very complex and very detailed.

**Ms. Bryden:** But presumably the company hires somebody to evaluate them.

**Mr. H. T. Jones:** Yes. And we are cognizant of whom the company is dealing with and the consultants and the engineers that are hired to do this work. Occasionally we have differences of views with them, but not too frequently.

**Ms. Bryden:** But you feel fairly confident that there is not a great danger that there is going to be a break or a blow-up in your intraprovincial pipelines.

**Mr. H. T. Jones:** Yes. On the high-pressure transmission lines the technology is well advanced, and I am quite confident in the methods that are used. The big problem that we have with pipelines is not designing and building the line to withstand the internal pressures that are imposed by the gas or oil; it is to control the operators of mechanical equipment damaging the line externally. This is a real headache and it is a very real problem. I wish the outside problems were as well in hand as the internal problems.

**Mr. Moffatt:** Just to follow that up, I have a number of things I want to raise. I gather, from the preceding conversation that you have no active inspectors who actually go out in the field on intraprovincial pipelines; that you depend on the industry and the consultants in that field to do the inspection and report to you as a matter of course and to make sure that things are kept in line with the codes that are laid down. Is that a clear statement?

**Mr. H. T. Jones:** Yes, Mr. Moffatt:

**Mr. Moffatt:** In what fashion are your codes made available to these outside consultants who actively inspect pipeline construction and so on?

**Mr. H. T. Jones:** Our pipeline code is a regulation under the Energy Act, and as such is a public document. Admittedly, it is a small group of expert people who are basically involved in this, but that code is available to all of them. As a matter of fact, our pipeline engineer is at a Canadian Standards Association meeting this week on the development of a code in that way. If that code develops the way it should, it will be used to update our existing regulation.

**Mr. Moffatt:** I don't know anything about the code, so I would like to know if there is any provision in the code to inspect pipelines which may have deteriorated because of age. Is there a sort of normal inspection time, say every five or six years, at which an existing pipeline, with which there has been no difficulty, is inspected for corrosion and what other defects might appear?

**Mr. H. T. Jones:** This sort of inspection goes on. It is not on a four- or five-year interval. It goes on continually. There may be a misapprehension. The modern steel pipeline is cathodically protected; that is, the line is usually wrapped with a very heavy yellow plastic and a small current is superimposed on the line in reverse polarity to the current generated by corrosion. When that job is done correctly, in theory there is no corrosion of the line and it can last indefinitely.

**Mr. Moffatt:** You are stressing "in theory." Is there a reason?

**Mr. H. T. Jones:** In practice, you do get breaks in the insulation. Occasionally you can get concentration of corrosion, but it doesn't happen too often. The fact is that, transporting gas particularly, there is no corrosion on the internal surface. There is no air to encourage corrosion.

**Mr. Moffatt:** There is no corrosion as long as the pipeline at no time is opened at any point for air to enter.

**Mr. H. T. Jones:** That's right.

**Mr. Moffatt:** What occurs when a pipeline, let's say at the corner of this street out here, is broken by a mechanical accident and the gas escapes? You would repair that particular break, but in the meantime that pipe has had air that has entered and could find a pocket. Could that air, in fact, become a corrosive agent?

**Mr. H. T. Jones:** No. The air has to be purged out. After the repair is made, a very careful procedure has to be followed to purge that air; it's only in the pipe for a short length of time—not long enough to cause any corrosive action.

**Mr. Moffatt:** Okay. I gather that my question the other day about the installation of a gas or oil pipe to a furnace installed in a home wasn't too clear, so I want to restate what I tried to find out.

In Fleetwood Dr., which is in a subdivision known as Harmony Hills in Oshawa, I inspected about 30 houses where in almost



every case the supply pipe from the gas company rested directly on top of the heat chamber of the furnace. I don't know whether that's a common practice or whether it is a realistic practice or not. Also, the hot water tank was installed in such a fashion that the filters on the furnace could not be removed. Apparently nobody is taking responsibility for getting that situation corrected. I don't know whether that comes within this particular branch or just who would look after that.

**Mr. H. T. Jones:** If I need more location detail, I can come back to you, Mr. Moffatt. I think we can attend to this. In most cases, there is no difficulty. I have one question, how old is this subdivision?

**Mr. Moffatt:** Brand new.

**Mr. H. T. Jones:** There should be no difficulty.

**Mr. Moffatt:** The gas company—I am not sure of the name of the delivery company—said that their responsibility stopped at the basement wall; that the installation from that point on was the responsibility of the homeowner through the subcontractor and so on. Is that normal?

**Mr. H. T. Jones:** Oh, yes. The distributor would be Consumers' Gas.

**Mr. Moffatt:** I would think so.

**Mr. H. T. Jones:** Consumers' Gas have an inspection responsibility under the Energy Act. They do not have the financial responsibility to make the corrections. But it should have been turned over to us. That is why I asked how old these were. We will go after the contractor.

**Mr. Moffatt:** I think I have found somebody who can get something done. There's somebody in your ministry who does things.

**Mr. J. K. Young:** You finally got it under the right vote.

**Mr. Moffatt:** I would appreciate it if you would look at that. That will solve only one-thousandth of the problems out there, but it is certainly one that will be solved.

In regard to that particular problem, though, is a local plumber or an itinerant tradesman who might have done the installation subject to inspection or updating in courses to know what is going on in that particular industry? It looked to me like a really backyard kind of job.

**Mr. H. T. Jones:** Yes, this is the point that the minister made just a minute or two ago. We stress training of the plumbers or gas-fitters, whatever you call the tradesmen who do this work. Our experience has been that it's ignorance of how to do these things. Most people, if they know how to do it, will carry this out properly. When we got into the gas certification programme about 15 years ago, we didn't have any licensed gas-fitters in Ontario at all at that time, and we thought our standards initially perhaps were a little low. About five years ago we recalled all of those men for re-examination and we worked with the colleges to make a retraining course available for them. This man should have been picked up too, but it is possible we missed him. We did recognize that we had to raise our standards, but that programme should have been completed across the province.

**Mr. Moffatt:** Is this the appropriate vote, Mr. Chairman, in which to bring up my raft of information about aluminum wiring, or do you want to wait until the Building Code item?

**Hon. Mr. Handleman:** Mr. Yoneyama, it's your choice. Should it be discussed under the Building Code?

**Mr. Chairman:** Yes, I think we'll wait for Building Code. Any further discussion on item 5?

Item 6, Building Code.

**Mr. Moffatt:** Mr. Chairman, I note it's 5:40, and I don't know when you want to quit, but you will recall I did think earlier that for the purpose of some discussion we might have been wise in this committee to have brought in some outside people, from wherever, to discuss the question of aluminum wiring, which seems very topical.

I want to state at the outset that I fully appreciate the fact that there is no inherent danger at all in aluminum wiring by itself. It is 60 per cent as good a conductor as other items being used and certainly, with increased size in the wiring, doesn't pose any inherent problem. I think a lot of people tend to try to get away from the real question that should be raised about aluminum wiring by talking about the inherent danger of aluminum itself, and I want to stress there isn't any.

The danger in aluminum comes at the point where aluminum wire is connected to either a switch box or a receptacle or some other kind of wall fixture. I think it's prob-



ably because of the tendency of aluminum as a material to have the capacity to creep, quite differently from other materials used in this particular kind of installation.

If we flatten a piece of aluminum wire under a threaded bolt, which is a normal kind of connection in a connector, that aluminum will tend to move away from the point of contact by itself. Without being wiggled or jiggled or twisted or anything else, over a period of time it will tend to flow away from that point of contact. What may then happen is that the wire will not maintain the tight kind of contact that we might have wanted in order to have a safe connection. There are a number of ways in which that's described, and I guess Mr. Jerabek describes it as the time-dependent strain.

I think what we need to do is look at the question of whether or not there are other ways of putting aluminum into receptacles or fixtures so that it can be done in a safer fashion. That apparently was done in the CO-ALR type of receptacle, but if you take apart one of those particular receptacles you find that what it looks like on the surface isn't quite what it's supposed to be and, in fact, isn't inside what it's supposed to be. The fact that the CO-ALR receptacle was approved by CSA seems to have given everybody a sense of security which says that there will be no more difficulties. But, as I say, if you take one apart you find that the bridge, which goes from one ground to the other, is attached with a metal rivet; and that particular metal rivet, after it has been moved or after there's been electrical current go through it, does not maintain a good contact. At one point, before that item had CSA approval, it should have required that that be spot-welded rather than riveted. That, I think, is a very valid point.

If you compare that CO-ALR receptacle to what is known as the hospital standard receptacle, you find that there is no such rivet in the hospital standard; it's a solid piece of metal all the way through, so there's no chance for less conductivity to be at any one point in that particular bridge. Originally I was going to bring in a bunch of pictures and some pieces of equipment that I spent some hours tearing apart in my basement; but I decided that if I did, they wouldn't come out in Hansard anyway and it might be better if I were to try to describe all of these things in straight prose. So if you have trouble understanding me, that's unfortunate and you can ask questions, I guess.

[5:45]

The problem, though, that really does disturb a number of people is the fact that in the CO-ALR receptacle, there is another hazard, which should have been corrected in design and wasn't. If you take an ordinary U-grounded plug and plug it into this accepted kind of receptacle, it feels as though it's making a good contact. A person who is using a power tool or a piece of equipment with that kind of plug on it would tend to assume that they've got real protection on the grounded circuit, but in fact if you take that three-pronged plug apart and insert each one of the prongs independently—you slide in the two flat blade prongs, turn the receptacle upside down, they stay there, they are held securely. If, however, you take the U-ground side of it, which is the safety measure, and simply move it back and forth as you would when you were putting in or removing that plug from the receptacle three or four times, you find that if you tip the receptacle upside down, when that is the only part in, it falls out. Therefore there can't be a good grounded connection, even though people are assuming that there is. That situation could have been corrected in design and, once again, CSA should have demanded that that be corrected in design. The problem is, when you take the receptacle apart, you find that it's a piece of ordinary steel and it doesn't have sufficient capacity to grab the U-ground, and as soon as you move it it loses its spring. You take the hospital standard receptacle and compare it and you find that it is made in a totally different fashion so that it does maintain that kind of spring.

The import of this is that if you were to instruct people to use hospital standard receptacles in their homes or in their light switches, you'd find that it would be slightly more costly, but you'd also find that it would be entirely safe. What I'd like to know is why this sort of second rate standard is applied to home construction as opposed to what we demand in hospital standard? I have some criticism of the ministry for going along with CSA on this particular item when, in fact, I don't think their research and their technical data was as secure as it should have been.

I want also to talk about the way in which the connection between the wire and the fixture or the socket is made. If you take the standard connection, it's either two pieces of metal which are clamped together by a screw tightening down, the screw must be an undercut, which means that it will clamp securely on aluminum. If you take the CO-ALR you find that the screw is not undercut, in fact it's just a machine bolt that has been



cut in the normal fashion on an assembly line. That's a fault in that receptacle.

Further than that, if we compare what was done in home wiring with the place where aluminum wiring was originally used, that is in aircraft construction, you find that in aircraft construction they didn't go to that kind of connection at all. They went to a clamp type of connection and an atmospheric seal, which is a piece of plastic or something, which can be quickly put around it. Jebarek may be slightly wrong, completely wrong or whatever in your opinion, but in looking at the material that he showed me there was some pretty good evidence to say that these things were not quite as safe as everybody expected.

I'm not saying, either, that every aluminum box in the Province of Ontario, or every place with aluminum wire in the wall, is a fire hazard. That obviously is not true. There are a couple of points which he made for me that I think make some sense. He did install regular aluminum wire in a CO-ALR receptacle and then put the appropriate amount of current through the receptacle. When he raised the current significantly, such as you might have when an electric kettle is plugged in—and not everyone plugs the electric kettle into the exact correct receptacle; the one that's supposed to be in the kitchen for electric kettles only isn't always the one that people use. In a kitchen you are now required to have a split 220 plug on one side for the kettle, so that it's completely off by itself, but not everybody uses the electric kettle in that, and it has a heavy draw. If you do that, and then take a picture of that particular joint, you'll find that there is heat built up there. Jerabek showed me pictures of that.

You'll also find, if you put your hand on that wall receptacle when the electric kettle or something heavy like that is plugged in, you will probably get a fairly warm receptacle as well. If it wasn't installed exactly properly, as might be the case where an electrician is working hurriedly to get through a building, you've got a potential for danger that I think is too real to ignore. If every connection were made with the utmost care and sealed and wrapped, there probably would never be any danger. But you and I know just as well as anybody else that that is not always the case. In a normal course of carrying out a person's work, minor and sometimes major errors do occur.

If we were to change to a round aircraft-type clip instead of the wraparound which we use in making ordinary connections, the

cost would not be appreciably greater. It would be significantly greater for the first few months until everybody had acquired the proper tools to make this kind of change—and the tools are available—but we would have the security of knowing that the connections were not going to be subject to the great fault of aluminum wire; that is, the fault of creep. We would also know that the particular receptacles that we're using probably have no more mistakes in them, such as the two I described earlier.

There is a third area that I think needs to be dealt with. It is the fact that in electrical wiring in a house there is no way in which you can hire somebody to come in and test a circuit, because the circuits are not numbered. If you've got, in this room, three or four wall receptacles, you can't tell which one is closest to the source and which one is at the end. They may be hooked in a series, but you don't really know whether that one over there is first or last. Until you know that, you really can't send a current through them and find out if there is a current loss or if there is some kind of abnormal behaviour in any one of those connections. That's the kind of thing that, when we devise a building code, we really should put in. We should mark it somehow, and I suggest it can be done with a simple marking by the electrician with a grease pencil inside each one of the receptacles. You could take the face plate off, look inside and see that that's No. 2 or four, or four of four, and if there were four receptacles installed in a line the electrician could test from the first to the last, run a current through and find out if there are problems. In Frank Drea's house there may be two or three of those connections which are a little loose, but he can't find out.

**Mr. Drea:** No, it is all aluminum wire. We've had it five years, with no problems with the sockets in the kitchen. No problems.

**Mr. Moffatt:** Not yet. There is an additional point I want to make on faulty connections. If you read the little pamphlet that was sent out in my hydro bill last month, it gives four or five dangers or things to look for with aluminum wiring. They make the point that if you have aluminum wiring which is faulty there may be a funny smell around receptacles, or the face of the receptacle may feel warm, and that is true. If you were to measure the amount of electricity lost through bad connections in a house with a few of those problems, what you could wind up with is a phenomenal cost



in electrical terms, because it goes on all of the time. All I'm saying is that rather than saying that aluminum wiring is totally safe, there's no danger, it's all approved by CSAO, we'd probably —

**Hon. Mr. Handleman:** CSA.

**Mr. Moffatt:** —I'm sorry, Canadian Standards Association—I shouldn't have said CSAO should I? He listens and he picks these things up. I think CSAO would be a good place to have it approved.

The point is we have accepted, on sort of blind faith, the fact that everything that CSA has said about aluminum wiring makes eminently good sense. What we should have been saying is, "That seems workable, but there may be some problems, Go back and look at it again." A number of people have suggested that there have been problems. Even the insurance companies a couple of years ago were really worrying about the problem of aluminum-wiring-induced house fires. I think a number of insurance companies really suggested to the aluminum companies and the electrical fixtures companies that they had better look very carefully at this whole thing, because they were not sure just what's going on.

I noted that the report from the Fire Marshal to the Attorney General for the previous year documented a significant number of house fires with their origins unknown, but assumed to be electrical wiring. It might have been nice if we knew how many of those house fires attributed to electrical wiring had aluminum wiring in the house. If that statistic were available, it might give us some chance to see whether, in fact, this has been a problem.

On the other hand, I don't want to condemn the activities of this branch of the ministry. I want to deal at some length with the Building Code and how we're going to implement it. I note it's 5:55, Mr. Chairman. I don't know whether you want to make some announcement about when we're going to be sitting this week, or whether you would like me to stop now and continue next day. Just what would you like to do?

**Mr. Drea:** Just before you make that announcement, I think the committee in which this issue probably should have been raised is the Hydro select committee; we had everybody there, and there are some transcripts available from that day. It certainly might save some time in this committee if they were to read those transcripts. Hydro, which is the originator of CSA and is very concerned about

this problem, had its research people there when we were looking at their budget. I'm sure Mr. Reed, being on that committee recalls that. That might shed a great deal of light on the whole problem and might indeed facilitate the discussion here.

**Hon. Mr. Handleman:** Mr. Chairman, I expressed this concern at the outset, that the purpose of the estimates committee is to examine the votes and what the various branches are doing within those votes to justify the expenditure, and to explain new initiatives.

The Building Code was not designed to deal with this kind of problem, nor does it. What Mr. Jerabek is suggesting is that it should be redesigned to take care of this problem. I don't know any more about aluminum wiring than I did when I came into this room, and I don't think any of us will know any more when we leave. I don't think we should be here listening to arguments between engineering philosophies.

Mr. Jerabek has had his opportunity to have CSA hear him, to have Hydro hear him, to have every building inspector in the darned province hear him, and he hasn't prevailed. In my view, he can still continue his crusade. I have no objection to that. In the interest of public safety, he's fully convinced that he's right. But I have to take the advice of the people who advise me. If I don't believe Mr. Yoneyama, Mr. Adams and the people that they're relying on, you know what I should do. I have accepted their advice and I have looked at their recommendations. I look to our Building Materials Evaluation Commission, which represents everybody in this darned province who knows anything at all about building materials, and I'll accept their advice. That's what I'm going to continue to do.

If we spend another half hour on aluminum wiring, we still won't change anything. If you want to get it on the record, fine, let's go ahead and get it on the record. But that's the way it stands. I'm going to continue to take my advice from the people we pay and the people they pay, and I'm not going to listen to somebody else who is on a crusade. The Fire Marshal has never once said that a fire in this province has been caused by aluminum wiring. Not once. So why on earth do we spend all this time of a committee dealing with something which is completely hypothetical?

**Mr. Chairman:** What we are doing on Wednesday is hypothetical. I propose that



the committee will meet tomorrow afternoon after question period—

**Hon. Mr. Handleman:** We can't meet tomorrow afternoon, Mr. Chairman. There is legislation tomorrow and the orders of the House are quite clear; order No. 1 is rent review legislation.

**Mr. Drea:** And once again, you corner Mr. Gregory and me.

**Hon. Mr. Handleman:** We can't do it anyway. The orders are there, and estimates are on Wednesday. As I say, if we have enough time, we can probably change that to Thursday.

**Mr. Chairman:** All right, if that's the way it is, fine. We have an internal problem on the committee. First of all, we have to get the estimates done. If you keep pressure on the members, it's the only way of getting the estimates over. That's always been the case. Give them an extra day and they'll generate a lot more material, so it's a question of keeping the pressure on. According to the rules of the House, I'm sure this committee, the justice committee, will lose a day because we're somewhere else, through no fault of our own. If that's the way it is, fine.

The private bills committee is sitting on Wednesday morning. We have only three bills. The hope is that those bills will be quickly dealt with and we can get back here and keep going on these estimates. On the other hand, that's a moot question at the present moment.

The Chair does and will exercise very considerable latitude. If a member of this committee, any member, wishes to discuss a particular problem that falls ostensibly, as far as I can tell, within the particular vote, that member will be given the full opportunity to unburden himself, etc., in the hope that the ministry will respond. It's up to the ministry; it always is. I am not going to bring any strictures to bear upon anybody in the committee. I would ask them to exercise some remote modicum of common sense as to what impact they think they are making or not making, but that's really for them to decide.

[6:00]

**Mr. Drea:** With all due respect, though, Mr. Chairman, this is the second time I have heard you say that. There is lots of time. We are hardly facing the end of the world; Parliament isn't going to dissolve. Why not let it go on?

There are some common rules of procedure around here which seem to be forgotten in

this utmost haste to get things done. One of the common rules of procedure is that people are put on committees with the consent of the House; and when people are put into a position where they have to be on two committees at once, there is an arrangement as to which committee gets the priority.

It is not my problem that there are some people in the estimates committee who would like to play around with some things. The general estimates committee, as far as Mr. Gregory and I are concerned, could have been wound up many days ago except for the determination of some who would like to fool around. I know there is always a conflict on this particular committee because of the private bills committee on Wednesdays, but it is not my problem on Wednesdays when someone wants to talk for four hours. Heavens, I had a man ready to be arrested, and I had to sit there and wait for three hours for somebody to get through.

I don't understand the great urgency in all of this. The next one coming before this committee—everybody knows this is a very minor thing and wants to get rid of these estimates—is the main event; it has some deep significance for certain political parties. That is not my problem. But how about going through them very orderly? We'll get there.

**Hon. Mr. Handleman:** Where does that leave us for Wednesday, Mr. Chairman?

**Mr. Chairman:** Everybody will be informed as to whether we meet on Wednesday or not.

**An hon. member:** Or tomorrow.

**Mr. Reed:** Oh, we meet tomorrow?

**Mr. Drea:** No, we don't. We are not meeting tomorrow.

**Mr. Chairman:** No, we don't. The minister is tied up elsewhere.

**Hon. Mr. Handleman:** In the House. There is some legislation that has to go through.

**Mr. Reed:** That's fine. Good luck.

**Mr. Drea:** Let's not have it on the record that the minister is tied up. These are decisions by all three parties.

**Hon. Mr. Handleman:** The House leaders have agreed.

**Mr. Chairman:** We are all tied up tomorrow.

The committee adjourned at 6:03 p.m.



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Bryden, M. (Beaches-Woodbine NDP)  
 Drea, F. (Scarborough Centre PC)  
 Gregory, M. E. C. (Mississauga East PC)  
 Handleman, Hon. S. B.; Minister of Consumer and Commercial Relations (Carleton PC)  
 Moffatt, D. (Durham East NDP)  
 Philip, E. (Etobicoke NDP)  
 Reed, J. (Halton-Burlington L)  
 Renwick, J. A. (Riverdale NDP)  
 Sandeman, G. (Peterborough NDP)  
 Shore, M. (London North L)  
 Singer, V. M. (Wilson Heights L)

### Ministry of Consumer and Commercial Relations officials taking part:

Cox, J. P., Registrar, Real Estate and Business Brokers Act, Business Practices Division  
 Horwitz, J. C., Chairman, Commercial Registration Appeal Tribunal  
 Jamieson, C. N., Registrar, Consumer Protection Bureau, Business Practices Division  
 Jones, H. T., Director, Energy Safety Branch, Technical Standards Division  
 Mitchell, D. L., Director, Investigation and Enforcement, Business Practices Division  
 Molyneux, G. T., Director, Consumer Advisory Services, Business Practices Division  
 Smith, T. G., Director, Elevating Devices Branch, Technical Standards Division  
 Weinstein, I. B., Director, Commercial Registration, Business Practices Division  
 Yoneyama, H. Y., Executive Director, Technical Standards Division  
 Young, J. K., Deputy Minister







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# Legislature of Ontario Debates

SUPPLY COMMITTEE—1

ESTIMATES, MINISTRY OF  
GOVERNMENT SERVICES

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Tuesday, May 18, 1976

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER  
PARLIAMENT BUILDINGS, TORONTO  
1976



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A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

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## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

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TUESDAY, MAY 18, 1976

The committee met at 8:05 p.m. in committee room No. 1.

#### ESTIMATES, MINISTRY OF GOVERNMENT SERVICES (continued)

On vote 803:

**Mr. Chairman:** I shall call the committee to order. I believe we're very close to a quorum.

**Mr. Ruston:** I wonder what's close to a quorum? Anyway, I won't question it, Mr. Chairman.

**Mr. Chairman:** Thank you, Mr. Ruston. The minister has informed me she would like to make a brief statement in regard to some comments she made on a previous vote. I don't feel we want to open up the vote, but if the minister would like to make any remarks to correct any comments she made previously, I'm sure the committee would feel that's in order.

**Hon. Mrs. Scrivener:** Thank you, Mr. Chairman. This is in connection with vote 803 and the discussion which took place in the evening on May 13, concerning the cost of plants and their maintenance in London. On looking into this a little further, it appears to me that there was a misinterpretation of the way the figures were read and the kind of figures we now have in the record.

So, just to set the record straight, I want to inform the committee that the capital cost of the plants for the building in London was \$19,000, including the containers and the organization. The maintenance cost for 24 months was \$10,061, which was the figure I had given; I made a statement to the effect that 10,000 and some dollars included the cost of the purchase of the plants—and I was incorrect in that statement.

**Mrs. Campbell:** Is there any clarification, Mr. Chairman, of the cost of the plants to the new courthouse in London?

**Hon. Mrs. Scrivener:** No, I am sorry, that is the figure I have for plants in London. I took it that that was probably for the Ministry of Transportation and Communications.

**Mrs. Campbell:** Would you repeat the figure again? Because what you said in answer to my question was that there was no such figure.

**Hon. Mrs. Scrivener:** I understood from the figures I was looking at at that time that the \$10,000 figure was the total sum.

**Mrs. Campbell:** No, that is a different building. That's the Transportation building. I'm talking now about the courthouse building, which was the second item to which I made reference. I was advised that on the figures I had, there were no figures which corresponded. I would like to have a clarification on the actual cost of the plants supplied to the new courthouse in London.

**Hon. Mrs. Scrivener:** I'm sorry, I don't have that figure. So, I'll have to get it for you.

**Mrs. Campbell:** Fine; my information was that it was \$14,600.

**Mr. Chairman:** Thank you. I would inform the members of the committee that some time within the next hour you might hear the bells ringing for a vote. I'm sure at that time the Clerk will ascertain the time we're expected in the House. I hope it is five minutes before it's time to vote. So we'll continue until the Clerk gives us notification when we are expected in the House.

**Mr. Angus:** Just a point of order, Mr. Chairman, related to the matter that I spoke to you about at the beginning of the meeting. Due to the absence of my colleague, Mr. Davison, who is away because of a death in the family and who is the critic for our party for Government Services, I wonder if it would be possible, as we go through the various items in vote 804, that we just continue along through them and allow Mr. Davison when he returns—if the estimates are still on—to go back? Is that possible? Does that meet with



the approval of the other members of the committee?

**Mr. Chairman:** Mr. Angus, I have never known such an occasion. Well, similar occasions have arisen and other members have taken the place of the critic. I feel that we have to go through it vote by vote, and as they are carried, then that order of business is complete.

**Mr. Angus:** Okay.

On vote 804:

**Mr. Chairman:** So, we'll continue our discussion of item 3, vote 804.

**Mr. Angus:** The question I had, if I remember correctly, related to, in terms of printing and stationery services, the comparative costs of the various members' reports that are printed, I believe, through your ministry. Has there been any policy established that would either allow or disallow members, particularly from the north, to have the reports printed in their home communities, as long as the cost was within an acceptable range based on either verbal quotes or on tendering procedures, and also—it's not in the same item—the mailing of them in the community?

Let me give you an example. One of the members from the NDP was able to get them printed in his home riding, but because of the bureaucratic procedure that he had to go through, he ended up driving down from the north with all his riding reports in the car so that he could get them franked here and mailed out.

I was able to get mine printed in Thunder Bay, but after a lengthy discussion with various officials—and because I almost demanded it—I was able to finally get a cheque to take with me up to Thunder Bay to the post office so that they could be mailed from there. I wonder if maybe we could just discuss that for a moment and set some particular policy with the printing.

**Hon. Mrs. Scrivener:** I think this comes under the Office of the Assembly. Of course, the Office of the Assembly has allowed members so much money for stamps for their constituency offices so they can do some mailings, but they are not allowed to do constituency mailings. They are not allowed to do total organizational mailings, but they can do some limited mailings from their constituency offices, as I understand it. Of course, it is not within my ministry, but I am giving you an interpretation from the Speaker.

**Mr. Angus:** Okay, I will leave that then, Mr. Chairman.

**Hon. Mrs. Scrivener:** Right.

**Mrs. Campbell:** I would like to go back, if I might, to the discussion initiated by Mr. Davison on the printing of reports. What is the relationship, if any, of Foster Advertising Co. with this ministry? Are they an agent within this ministry?

**Hon. Mrs. Scrivener:** Not that I know of.

**Mrs. Campbell:** I see. I am interested and the reason I asked the question is that it was made clear to us that when the so-called guidelines for Wintario came out, they were not ministerial in nature but they were, in fact, produced by Foster Advertising. Of course, this caused a great deal of concern, because there was no understanding of, particularly, the multicultural thrust in the community.

**Hon. Mrs. Scrivener:** When you say produced, do you mean artwork design?

**Mrs. Campbell:** The whole guideline material, as I understand it, was produced by them, written and as far—I don't know whether they were actually printed by them. But at that point in making some investigation, I understood Foster Advertising was an agent for this purpose for this government. I would have assumed it was within this ministry.

I guess I missed my opportunity on this. I don't know where it would come as an agent for a publication and printing, and this sort of thing.

Following along the lines of Mr. Davison's inquiry, what effort is being made at least to advise ministries of the relative costs of different types of paper and different sizes of paper to try to bring about a uniformity in the reports which come forward? Would that be within this ministry?

[8:15]

**Hon. Mrs. Scrivener:** Yes. When a ministry requests us to undertake a printing job for them, naturally we investigate their needs and what it is they have in mind and the kind of public to whom they're addressing that piece of printing; then we do a cost, because obviously if we're going to charge back to the client ministry, they've got to know in advance how much the job is going to cost.

**Mrs. Campbell:** I understand that, although I don't think that was really my question. I wondered if at any time any advice had gone to the different ministries about the cost of paper by itself, the cost of the size of paper. My information is that in this place with the reports which are produced it's pretty



obvious a lot of people are totally unaware of the printing business and that they could indeed cut costs if they didn't use the sizes of papers which are unusual and the quality of paper which is expensive. Do we make any effort to initiate any kind of information going to other ministries and agencies?

**Hon. Mrs. Scrivener:** We propose.

**Mrs. Campbell:** Yes, and they dispose. I understand that. But is there an initiative from this ministry to try to do this?

**Hon. Mrs. Scrivener:** Oh, of course. We're sensible people and we try to give good advice. We know the other ministries are on just as stiff a budget as we are; so obviously we want to help them conserve. It's to our advantage.

**Mrs. Campbell:** As long as I understand that you actually do advise them in advance of a report that perhaps if they cut their size of paper from unusual lengths and unusual widths to standardize they could save money; this is what I'm really getting at. You do this?

**Hon. Mrs. Scrivener:** Mr. Metcalfe, can you cite some instances of economies which have been effected as a result of your good advice?

**Mr. Metcalfe:** I think we do as Mrs. Campbell was asking. We have been party to running seminars for print buyers within ministries or print requisitioners within ministries, both in the basic knowledge of the various printing processes as well as the various grades and stocks of paper and so on. Obviously, we look at it as part of our job. If someone comes with a designed piece of printing that won't fit on the average printing press or if the paper is not cut economically, we feel it's part of our job to recommend that the specifications be changed, and they are quite frequently.

**Mrs. Campbell:** And you do feel that these seminars are well attended by other ministries and agencies?

**Mr. Metcalfe:** At this point in time, we're keeping them pretty basic at a relatively low level and trying not to be too technical, because it's very easy to get over somebody's head in the printing technology. But we're of the opinion that they're successful.

**Mrs. Campbell:** In my case, it's just advice from people aware of the printing business which I am not. They feel we have some "dumb bunnies" bringing out reports. I would hope we could eliminate the "dumb

bunnies" who, according to them, are costly, if in fact this is true. I'm in no position to say but I have noticed the diversity of reports since I've been here, which is only since 1973—the size of them, the quality of them and the rest—and there has been a wide diversity. Can we expect that in this year we will see something more standard and uniform as a result of the services you have given? Do you know whether they have been successful in a management result terminology?

**Mr. Metcalfe:** I'm not altogether sure that in the publication field it is desirable, in government or out of government, to have everything looking the same. I think there are economies that can be taken advantage of, both in size and quality, but I think a uniform publication might be difficult from our mode reacting to the wants and needs of the client ministries.

**Mrs. Campbell:** I wasn't dealing with it on strict uniformity but rather uniformity of size of paper used and the quality of paper used. I recognize that Natural Resources seems to have to go off on some rather extravagant sorts of reports where others are a little more modest, but I think that covers my remarks on that.

**Mr. Chairman:** Thank you, Mrs. Campbell. Mr. Ruston, do you have anything on this vote?

**Mr. Ruston:** No, I don't have anything on this one.

**Mr. Chairman:** Shall item 3 carry? Carried. Item 4, collection services.

**Mr. Angus:** Just a small question, Mr. Chairman. Could we have an explanation as to what the term "collection services" means? I have one image and I would like to know if my image is correct.

**Hon. Mrs. Scrivener:** The function of this branch is to provide a central collection service for most ministries of the Ontario government and to provide administrative support and direction for the special services of this ministry. When we're doing collection service for government, by the time we get the bad payments or bad debts or whatever it is you want to call them, they are far along, so I think that if you know anything about that kind of a business, we do a very good job and have actually been able to save the government quite a bit of money. I think that the actual amount of money that



becomes a loss and is written off is really very low.

**Mr. Angus:** Two things then following from that—there are three things I'd like to know, actually: The number of people you have employed; whether or not you do have to resort to an outside collection agency at any time—

**Hon. Mrs. Scrivener:** No.

**Mr. Angus:** —and if you can compare the cost of operating the collection services of \$181,800 to the amount that you do, shall we say, bring in because of your actions.

**Hon. Mrs. Scrivener:** Our complement to start with is 11. It is headed up by Mr. Williamson at the end of the table here. I'll ask Mr. Williamson if he would like to provide us with some comment.

**Mr. Williamson:** Yes, actually the \$181,800 is the administration for the whole special services branch, which has a complement of three, plus the 10 people in collections, so that the actual collections budget is only \$118,800 and last year we collected \$11 for every \$1 spent.

**Mr. Angus:** You mentioned special services. I'm trying to find a reference to that.

**Mr. Williamson:** That includes collections, vehicle repair and trucking services, government mail services, records centre—four sections.

**Mr. Angus:** Oh, I see. But yet—

**Hon. Mrs. Scrivener:** It's a group.

**Mr. Angus:** It's a group.

**Hon. Mrs. Scrivener:** Mr. Williamson's.

**Mr. Thatcher:** Perhaps, Mr. Chairman, I could help by explaining to Mr. Angus that the items in this vote are the actual operations, whereas organizationally we group some of those operations for better supervision. You won't see special services, which is headed up by Mr. Williamson, as an item in this vote. But, rather, the functions that he performs are shown in this vote.

**Mr. Angus:** Except Mr. Williamson just said that the actual collection services were \$118,800, as opposed to \$181,800. But yet there are amounts—you mentioned vehicle repair and trucking services, did you?

**Mr. Williamson:** Yes.

**Mr. Angus:** It was \$37,700. Record centre, \$193,100—and one other one, didn't you?

**Mr. Williamson:** Just the record centre.

**Mr. Angus:** So I have a difference here of about \$63,000.

**Mr. Williamson:** That is the administrative cost of myself, my secretary and technical support.

**Mr. Angus:** Okay, I think I understand what you said. Maybe it was just the way it came out which confused me.

**Mr. Strauss:** We could distribute the cost of those three people among all the three or four activities for which Mr. Williamson is responsible. But because it is such a small amount, we put it all in the first one, which is the collection agency.

**Mr. Angus:** Okay, that's fine. That's very informative.

**Mrs. Campbell:** You mentioned collection services—these are for your own ministry, I take it?

**Hon. Mrs. Scrivener:** No, for the whole of government.

**Mrs. Campbell:** For the whole? Well, as I recalled it—and please correct me if I am wrong—I understand that Colleges and Universities had a similar item in their budgets. Now, I don't know whether they had this year, but we were questioning them on their collection services on the awards.

**Hon. Mrs. Scrivener:** We collect for Colleges and Universities.

**Mrs. Campbell:** On their awards programme?

**Hon. Mrs. Scrivener:** Their loans and so forth, yes. They have their own system of trying to collect on their loans. But when they finally give up, it becomes a bad debt and it comes to us. This is pretty well similar with all the accounts that we have. By the time we get it, as I said at the beginning, it's really quite a bad debt. So that our successes are actually quite considerable in face of that, because each ministry has struggled to get the payments made and has failed, and have then turned them over to us. And so what we are working with is bad debts.

**Mrs. Campbell:** I suppose the only way I can successfully analyse the various collection services is by getting them in every ministry and seeing what the total in collection services really is, because they certainly have an item in their budget on collection services. We were very keen in trying to ascertain



just what they did in the collection of awards; that's the one ministry I recall. It seems strange to me that each ministry would have a collection services item.

**Hon. Mrs. Scrivener:** In 1974-1975, we had 12,100 accounts. The dollar value of those outstanding accounts was \$4.1 million, and the collection was \$943,100.

**Mrs. Campbell:** And that would be only your ministry?

**Hon. Mrs. Scrivener:** No, the whole of government.

**Mrs. Campbell:** No, what I meant by that was that it would not reflect the revenue—and there isn't a revenue statement here, I take it, as I see it. There would also be revenue to other ministries before it gets to you, if they were successful.

**Hon. Mrs. Scrivener:** Well, it doesn't work that way. I'll ask Mr. Thatcher to explain it.

**Mrs. Campbell:** You mean, they never collect anything in the other ministries, but have an item in their budget for collection services?

**Mr. Thatcher:** No. The way it works, Mrs. Campbell, is that on loans, these are not shown as expenditures; they are recoverable items that accrue to the Treasurer. He sets these amounts up not as expenses but as recoverable loans. So, when they come back in, they come back in as revenue to the Treasurer's revenue accounts. Now, if they come back in through the ministry which initiates the programme, such as Education, they flow through that way.

**Mrs. Campbell:** Such as Colleges and Universities.

[8:30]

**Mr. Thatcher:** Such as Colleges and Universities, yes. If they're passed to us as bad debts and we collect them, we flow them again through to the Treasurer in the same way as part of his revenue account. So the Treasurer is receiving these against his revenue account from both the operating ministries and from us. The thing is that it's advantageous to collect up all of the old accounts in the various ministries and give one group the opportunity to deal with those. If we have to write them off, they'll be written off after we've made every effort to do the collection.

**Mrs. Campbell:** Would you say from what you have already said that it might be more

efficient if the total collection were placed in your ministry so that you've got these debts before they became, as the minister said, in really bad shape? Would that not be more efficient than to have collection services in every ministry and to have no offsetting revenue items? To indicate just what the area of success is, we'll have to look at TEIGA for revenues and in each ministry for collection services costs. It doesn't give an opposition a very clear picture, I would suggest, in any kind of bookkeeping accounting system.

That's all I'm really asking. If you get them when they're very bad, why not have one central agency that does it all? I'm sure then if you are so good with the very bad ones you would be infinitely better if you got them faster.

**Mr. Thatcher:** I'm not sure that that necessarily follows.

**Mrs. Campbell:** Knowing something of the collection business, as a lawyer I can assure you that if you get accounts when they're reasonably hot your measure of success is usually greater than when they're at a last-ditch stand.

**Mr. Thatcher:** I agree with that. I think the way it works out is that each ministry initiates a programme. If the programme is functioning properly and they're making loans for various purposes in accordance with a statute usually, the loans should be repaid, and they usually are. That's the way the programme works, and the entire programme is then operated by the operating ministry. It's only when the programme is not working properly, when there's a loan that has not been repaid and the normal efforts at recovery in the ministry have failed, that it's then considered worthwhile to send those accounts over to the collection agency. I think that system works reasonably well.

**Mrs. Campbell:** May I give you a kind of for-instance of where I am at the moment? Where you have a student on a student award programme and the student has successfully completed three-quarters of his course—and there's a very prominent case at the moment where a student went right through medicine to the last few months and then for basically non-academic reasons was not permitted to complete that course—who would investigate that kind of a situation? Would it be the operating—the line ministry?

**Mr. Thatcher:** Yes, it would.



**Mrs. Campbell:** When it came to you, you then would have no discretion; you would simply go out and do your thing?

**Mr. Thatcher:** That's right.

**Ms. Bryden:** Am I correct that you said there was \$4.1 million in outstanding accounts in 1974-1975 of which you collected \$943,000? Does that mean less than 25 per cent was collected in one year?

**Hon. Mrs. Scrivener:** Those are really bad debts. That's not a bad average for bad debts.

**Ms. Bryden:** At what stage do you decide they should be written off, that they are not going to be collected at all? How long do you carry those other \$3 million and something on your books?

**Hon. Mrs. Scrivener:** I think there's a procedure. I'll ask Mr. Williamson to address himself to this.

**Mr. Williamson:** We consult with our legal department. If there is any chance at all of getting a judgement, we will proceed to get a judgement. If that fails we would then turn the account back to the originating ministry, recommending a write off. We explore all avenues.

**Ms. Bryden:** You proceed to get a judgement. Do you use your own legal staff or do you hire outside legal staff?

**Mr. Williamson:** We use our own legal staff.

**Ms. Bryden:** Can you give me some idea of what kinds of accounts come to you for collection? Are they loans which have not been repaid or are they, in some cases, overpayments made through error or are they fraudulent payments by which the person has perhaps retained a government grant through fraud?

**Mr. Williamson:** Very few. I can't think of one in which there was fraud. I wouldn't say there hasn't been one because this section has reported to me for only 2½ years. Most of the accounts are loans or grants made by various government bodies and there are other accounts such as rents which are not being paid to Ontario Place or the Science Centre. Those are the main accounts. Some are bad cheques written for licences; we get those to collect.

**Ms. Bryden:** All of the work is done by your own employees, is it, rather than using a collection agency?

**Mr. Williamson:** Yes, by our own employees.

**Ms. Bryden:** Madam Minister, I would like to draw to your attention one particular case which came to my attention in which it seemed to me that the ministry was perhaps engaging in undue harassment of a person who, in the ministry's opinion, owed a debt to the government.

It was a voluntary organization, a non-profit organization, which provided recreational services and which obtained a grant from another ministry which was supposed to be seed money for the recreational services for one fiscal year. There was some misunderstanding, I gather, between the agency and the ministry as to the nature of the grant. It was called seed money in one letter. It was called deficit financing in another letter.

The ministry interpreted the fine print and said that if there was any money left on the agency's books at March 31 when the grant ran out, it had to repay that up to the amount of the grant. The agency, of course, knew that the grant was running out on March 31.

They were doing a very valuable service in the recreational field with young people particularly and with senior citizens and if they wanted to continue operating after March 31, they knew they would have to go out and raise money. They started in March and they managed to raise \$500. When March 31 came and their books were audited, here was \$500 extra on their books which they had raised themselves. The ministry's grant—I've forgotten how much it was—had been \$2,000 or \$3,000 and they asked for \$500 back or almost \$500; I think it was \$483 or something like that.

The agency people feel it was not made clear to them that if they raised any money they would be expected to pay some back. They had thought their grant was seed money. They have appealed to the ministry concerned to cancel this grant and have cited the misunderstanding and the ambiguity of the letters. I've seen the letters and they certainly were ambiguous.

They have been turned down and they are now getting threatening letters every two or three months from your ministry, saying if they don't pay up, something will happen. They are still operating but they are constantly seeking funding from other agencies and, of course, the other agencies are not going to be very keen to give them money if they know that the money is going



to be used to pay the Ministry of Government Services \$500. They feel it is time this whole thing was reviewed and written off; that you are trying to get blood out of a stone and that you were harassing a very valuable voluntary organization which doesn't really think the government should do this to people. Certainly there is great misunderstanding.

I feel if the minister has any authority or influence she should talk to the ministry concerned and see if they will not write off this particular thing. I don't wish to give their name in public because they feel it might impede their efforts to raise funds from other sources and they badly need funds. They are constantly fund-raising.

Hon. Mrs. Scrivener: The fact is that this is an agency which received a grant from the Ministry of Health. All right?

Ms. Bryden: Yes.

Hon. Mrs. Scrivener: The misunderstanding, if there was one, is between themselves and the Ministry of Health. We are simply carrying out the request of the Ministry of Health. If they want further clarification, they should seek that with the Ministry of Health.

Ms. Bryden: But they already have.

Hon. Mrs. Scrivener: It is not for us to judge, we are—

Ms. Bryden: But you cannot make recommendations—

Hon. Mrs. Scrivener: You are asking us to make a judgement call on a grant which had nothing to do with us. We are simply given this account as a bad debt and asked to collect. If they feel that they don't have a bad debt with the Ministry of Health, why don't they get it settled with the Ministry of Health? I think that is a pretty practical thing to do in the circumstances.

Ms. Bryden: You know, it is a very small amount and your ministry is going to go on trying to collect it and spending money on it for—

Hon. Mrs. Scrivener: Whether it is \$500, \$5,000, \$5 million, you know, what is the justifiable amount? I don't know why you haven't taken steps to get this thing cleared up.

Ms. Bryden: They have, but they now feel that the harassment should cease really; they have said they are not in a position to pay and that they—

Hon. Mrs. Scrivener: It's no good telling us that. If they feel that the debt is incorrectly listed in some way, I think they should resolve that with the Ministry of Health.

Ms. Bryden: I was just appealing to the minister to possibly talk to the Ministry of Health and see if she can assist in having this thing reviewed again, because it does seem like a very small amount for which to be pursuing this organization. You know, it would come out of any other grant they are able to get to carry on their services.

Hon. Mrs. Scrivener: You are saying they haven't the initiative to do it themselves?

Ms. Bryden: They have tried; they have done it; they have been turned down by the Ministry of Health. So your department is continuing to send them letters.

Hon. Mrs. Scrivener: You are asking me to make a judgement on another ministry's judgement, I can't do that.

Ms. Bryden: No, I am just asking you to talk to the other minister.

Mr. Ruston: There are a couple of questions that haven't been answered that I was going to ask. I recall on the public accounts committee, when the auditor had people from your ministry, if I remember correctly, that you were the collection of last resort. I am interested in when you collected almost 25 per cent of what was the total allocation—\$4 million—that was sent to you for collection in one year and you collected \$900,000-odd. That was in the one year?

Hon. Mrs. Scrivener: I think that's about par for the course, that seems to be.

Mr. Ruston: Having been in business and tried to collect some bad debts, I would be glad to give you some of mine which are still sitting there.

However, if I recall some of the discussions in the public accounts, some of these debts perhaps were given as loans and then on one or two occasions the Provincial Auditor, as well as the public accounts committee, made recommendations in their reports that some of these be classified as outright grants because they just never would be paid off. I suppose that happens in some cases, I don't know if you have had any lately. I think one would probably be the fishermen's loans which were cancelled out in the last year or so because of mercury pollution. If you recall, many of the fishermen were given loans. It was classified as loans with no interest and



finally they were changed to grants and dismissed. Do you have many of this type of thing, or is that more or less just one of the cases we've had that I've noticed? Are there many cases where the government has just taken them right off the books after so long?

**Hon. Mrs. Scrivener:** I think that is fairly rare.

**Mr. Chairman:** Item 4 carried? Carried.

Item 5, vehicle repair and trucking service.

**Mr. Angus:** We're getting into the very short ones—at least I hope they're short; it's hard to say. Can you indicate, Madam Minister, if this item includes the entire fleet of trucks and equipment that the ministry has under its jurisdiction?

[8:45]

**Hon. Mrs. Scrivener:** It's our ministry, not the Ministry of Transportation and Communications.

**Mr. Angus:** I realize that; I mean all the trucks and cars that go around for the Ministry of Government Services.

**Hon. Mrs. Scrivener:** That's right.

**Mr. Angus:** It doesn't seem to be a very large amount, especially in terms of supplies and equipment. Is it for acquisition for this year?

**Hon. Mrs. Scrivener:** Just repairs and maintenance.

**Mr. Angus:** Just repairs and maintenance. Is there another area that I may have missed where capital purchases come in within your estimates?

**Hon. Mrs. Scrivener:** Probably. This is for repair and maintenance; delivery of mail, stationery and duplicating materials to about 119 locations in Metro Toronto; trucking services for some of the ministries; and issuance and control of universal credit cards to all ministries of government.

**Mr. Angus:** I'm sorry, Madam Minister. What was that last statement?

**Mrs. Campbell:** Credit cards.

**Mr. Angus:** Yes.

**Mr. Gregory:** The government has good credit.

**Mrs. Campbell:** Not very, when you come to worrying about your deposits.

**Hon. Mrs. Scrivener:** I guess we do replace equipment. We might buy one or two trucks in a year on a turnover.

**Mr. Angus:** What is the size of the fleet, if I can use that term?

**Hon. Mrs. Scrivener:** Can you tell us, please, Mr. Williamson?

**Mr. Williamson:** Our fleet at the Mimico operation would be a total of 17 trucks. About four of those are very old and are more or less yard vehicles, ploughing snow and what not; they don't go out on the road. So we have an active fleet of about 12 or 13.

**Mr. Angus:** You say at Mimico?

**Mr. Williamson:** Yes.

**Mr. Angus:** But are there not Government Services vehicles or trucks elsewhere in the province?

**Mr. Williamson:** Yes, but they would not be under this repair item. They would belong to housekeeping; they would belong to—

**Hon. Mrs. Scrivener:** There are some trucks under the maintenance of accommodation programme for the maintenance of property elsewhere in the province.

**Mr. Angus:** Before you stopped a moment ago, you mentioned something about government credit cards.

**Hon. Mrs. Scrivener:** They are credit cards for gasoline and oil purchases.

**Mr. Angus:** Oh, okay. That threw us for a moment.

**Hon. Mrs. Scrivener:** We've got to keep the vehicles on the road.

**Mr. Angus:** The other question I had was, who is responsible for supervising the duties of the drivers and saying, "You have to go here and pick up this kind of item" and so on? I assume there is some type of supervisor?

**Hon. Mrs. Scrivener:** Mr. Williamson is the director.

**Mr. Williamson:** Yes, we have a supervisor at Mimico and, down in the mailroom, we have a supervisor for the trucks that are delivering mail around Metropolitan Toronto.

**Mr. Angus:** I would assume there is a procedure for a ministry that doesn't have its own facilities to call up that supervisor and say, "I have a load of filing or whatever to



be transferred from point A to point B." Is that correct?

**Hon. Mrs. Scrivener:** Yes.

**Mr. Angus:** As a new member since last fall, I was concerned when I came in the rear entrance to the Legislature and happened to see a fairly large number of obviously heavy cartons being loaded into a Government Services vehicle. That wasn't what bothered me; it was the fact that they all had written on them "PC headquarters." I'm wondering if it's standard procedure for the supervisor to designate government vehicles to move that kind of material?

**Hon. Mrs. Scrivener:** I'm sorry, I wouldn't think so.

**Mr. B. Newman:** "PC" would be for Police College!

**Mr. Angus:** I would assume it was from the print shop in the basement of the Legislature. If it is not policy for that kind of situation to occur, I would ask the minister if she would ensure that it doesn't happen in the future, or if that is a policy, that other parties be made aware of it and be allowed to utilize it themselves if they have heavy items that have to be moved from Queen's Park to their various provincial headquarters.

**Hon. Mrs. Scrivener:** I am advised that this probably was mail from caucus mailings that were going out last fall; so that would account for that. Frankly, though, what you are suggesting—

**Mr. Angus:** I can give you the exact dates and times. I don't have them with me, but I'll get those for you.

**Hon. Mrs. Scrivener:** I would like to have them. I think I could probably check that out, but I have never seen or heard of such a thing—and I used the rear entrance of the building for four years before you came, Mr. Angus. But it is the place where the mailings go out, because it is very close to the print shop where those caucus mailings are produced.

**Mr. Angus:** Then in the instance of the Liberal caucus and the NDP caucus, both of whom have their print shops in the basement, if they had a mailing that was going to be delivered to their respective party headquarters, would it not be courtesy to allow us to do the same thing?

**Hon. Mrs. Scrivener:** Of course.

**Mr. Angus:** Okay. Thank you.

**Mr. B. Newman:** Mr. Chairman, I would assume that under vehicle repair there would be a substantial amount of tire replacement involved. I am just wondering whether the ministry follows the policies set down by aviation companies, where probably 90 per cent, maybe even 95 per cent, of the tires they use are retreads. Does the ministry have a policy of using retreads rather than purchasing new tires because of the energy saving and because of the simple saving of dollars and cents, since 70 per cent of the cost of making a tire actually is for the casing?

**Hon. Mrs. Scrivener:** Yes, to a very considerable degree we do, and we arrange this through MTC. I'll ask Mr. Williamson to comment.

**Mr. Williamson:** We normally buy through MTC, who have a warehouse, and who have arranged a volume discount. In other words, they buy a tremendous amount of tires and we can ride on the back of that purchase order.

**Mr. B. Newman:** When you say they buy a tremendous amount of tires, are you referring to new tires or retreaded tires?

**Hon. Mrs. Scrivener:** Yes, retreads. That's what we are talking about.

**Mr. Thatcher:** I think it might be helpful if I say that in the smaller sizes there is not very much price advantage in retreading today. In the larger units there often is, because it's a much more expensive tire and you can get some more miles out of a good casing. But in the smaller units I think there is very little price advantage. By buying for all of the province, MTC is generally able to get us new tires for the same price as we should be able to get retreads. So the smaller tires are practically all new tire replacements.

**Mr. B. Newman:** I understand that one-fifth of the tires that are purchased in the United States are retreaded tires. Since there is a 20 per cent saving to individuals there, I would hope that the ministry would have a far more substantial saving than that. Naturally, since you go through MTC and you probably do not have a large quantity of vehicles—roughly how many vehicles would you have?

**Mr. Thatcher:** It's not a very large quantity; about a dozen.

**Mr. B. Newman:** Oh, you don't have vehicles at all. So when we are talking about



vehicle repairs in here, retreads wouldn't mean a darned thing to you people?

Mr. Thatcher: No.

Mr. B. Newman: Okay. Thanks.

Mr. Ruston: What about these clean air vehicles that you have? Is anyone familiar with them? Are those the ones you have running on propane?

Hon. Mrs. Scrivener: Not ours, Mr. Ruston.

Mr. Ruston: Not yours?

Hon. Mrs. Scrivener: No.

Mr. Ruston: They must be.

Mr. Thatcher: They were. They were ours. We had some for demonstration purposes; we converted gasoline engines to propane carburetion. Of course, it is only applicable to short runs. Superior Propane, for instance, uses them for some of their delivery vehicles. We use them for some of our in-town services. But you wouldn't use them for highway use.

Mrs. Campbell: I wonder here whether you could advise me as to whether or not you ever get tickets for clogging the traffic at the corner of Bay and Wellesley and if you do, do you pay it out of this account, because you and the canteen truck clog all the traffic there when people are coming down to the buildings. Do you ever get any tickets?

Mr. Williamson: Yes.

Hon. Mrs. Scrivener: The tickets are for the driver's own account. If he is guilty of a traffic infraction, that's his responsibility.

Mrs. Campbell: I see. So you never engage in any exercise in this.

Mr. Williamson: Could I just amend that a bit, Madam Minister?

Mrs. Campbell: Ah, thank you.

Hon. Mrs. Scrivener: You're talking about standing. Don't tell me about standing. That's terrible.

Mrs. Campbell: Thank you. We don't want any more corrections. Let's get it straight.

Mr. Williamson: All we do, if we have a vehicle delivering mail, is claim the same freedom as that of federal government vehicles that are delivering mail; and if that

vehicle was delivering mail, then we manage to have those tickets adjusted. If they are parked in a no-standing area, they have to pay the ticket. The police will not adjust anything in a no-standing area. If it's a no-parking area that's a different matter.

Mrs. Campbell: I would assume that these trucks are not there of their own volition; they're under somebody's instructions, and it would be a matter of the time at which they were there. As I said, I have seen them at the northwest corner of Bay and Wellesley, and I wouldn't have a clue to what they were delivering. They are light panel trucks, I think you call them; I'm not very familiar with trucks.

Mr. Williamson: It would be a Treasury vehicle sent over to the building to deliver mail.

Hon. Mrs. Scrivener: That would probably be mail.

Mrs. Campbell: Well, you clog the traffic there just as much as if you were delivering something else. Wouldn't you be able to arrange your services so that they don't do it when other people can't park there, other than this canteen truck, which is also usually there? But you don't get tickets for it?

Mr. Williamson: We get tickets.

Mrs. Campbell: And the driver would not be responsible, because you're delivering mail. Is that correct?

Mr. Williamson: We're responsible if he is parking in a no-parking area. But if he's in a no-standing area, he has direct orders that if he gets a ticket for that, he'll pay.

Mrs. Campbell: Even if he's delivering mail?

Mr. Williamson: Yes. He must go to a no-parking area.

Mrs. Campbell: Gosh, it could be a block away in this city.

Hon. Mrs. Scrivener: We're getting old.

Mrs. Campbell: I must start to look into this; I would say that may be putting quite an onus on the driver.

Mr. Chairman: Shall item 5 carry? Carried. Item 6, government mail services.

Mrs. Campbell: Here we are again, happy as could be.



**Mr. Angus:** I have not so much a question as a point, that I didn't find the system of the government mail any different here than I did in the city of Thunder Bay with their own internal mail.

We had a situation arise about three or four weeks ago where a request for a government plaque took five days to go from my office to the protocol office. Now two of those days were on the weekend, but it still took three days for the request to reach them. We ended up having problems, because it was late to begin with, so we didn't get the plaque when we needed it. But, in discussion with the protocol office, we learned that the delivery agent was on our floor every day—in fact, twice a day—and we circumvented the government mail service by setting up our own little tray, where we leave all our request forms; in other words, we have instituted our own mini-government mail service.

I'm wondering if this kind of situation is prevalent elsewhere, in view of the delays that seem to happen, not only in this government's mail service but the municipal mail services and in the whole postal system?

**Hon. Mrs. Scrivener:** Mr. Angus, do you not normally put all your mail out for pickup by the messenger?

**Mr. Angus:** It's taken down by our staff to the post office every day at a specific time. It goes directly there. To my knowledge, I've never seen a government courier coming to our caucus to pick up the mail.  
[9:00]

**Mr. Strauss:** Mr. Angus, I am at somewhat of a loss to explain this particular incident, but a particular difficulty may have arisen. In this building, if it's taken from your office to the post office in the basement then it's totally within the Ministry of Government Services. Among other ministries, we often are not responsible because we are only the intermediary. In this case it's entirely in their own hands and we really have no answer for that one.

**Mr. Angus:** It may have just been an isolated incident but I have seen other circumstances whereby, in combination with the government of Canada post office, you are talking five, six or seven days for delivery, and I am wondering whether part of the delay can be blamed on the internal system here?

**Hon. Mrs. Scrivener:** Certainly not all of the ministries handle their mail in the same

way, although we have tried to systematize, but the fact is that basically our mail system is quite efficient. It is just that sometimes it does have nasty breakdowns and always at a time when it is least convenient.

**Mr. Angus:** In terms of when we have been in a situation where there has been a national postal shutdown, Government Services has come in to fill the gap, so to speak, with special courier systems in situations like that, and it would seem to have worked quite well. I am wondering whether that kind of situation, given those areas that do have existing government offices, including the Ministry of Natural Resources and Ontario Provincial Police, could not act as depots for mail directed either to a ministry or a member, and that on a regular basis that be transported. I know that there are vehicles on the road constantly and criss-crossing this province in a fairly comprehensive network.

During the postal shutdown a number of the ministries sent their office staff to Toronto to pick up the cheques. Obviously the government has to pay the plane fare, and if you have four or five or a dozen ministries coming from Thunder Bay or wherever down to Queen's Park on the same day, would it not be wise to institute a special bonded courier service in the event of a postal shutdown to provide that kind of service?

**Hon. Mrs. Scrivener:** Mr. Angus, in the last mail strike that we had, which you know ran very close to Christmas, that three- or four-week shutdown cost us \$275,000. When you consider the dislocation of personnel and the dislocation to the government as a whole, and to the ministries and the members, I think perhaps one would have to take this under very serious review. In order to move the mail that we moved—and I have to say I agree with you, we were quite efficient at it—we were utilizing private courier service, bus parcel express, air express, special international mail services—telecommunications services were heavily loaded—and our own vehicles. In other words, anything that was moving in any direction was seconded to carry some mail, and this is especially true when we were trying to move urgent things like pension cheques and so forth at the end of the month. This put a great drain on the staff of many ministries and many people and I don't really think we want to put people in Government Services into that position. We would have to set up an entire internal courier service and that would just



be adding many more bodies than we have at the present time.

**Mr. Angus:** What about the cheque situation for government employees?

**Hon. Mrs. Scrivener:** During that postal strike?

**Mr. Angus:** Right.

**Hon. Mrs. Scrivener:** We did very well I think.

**Mr. Angus:** What I was suggesting, though, was that a lot of office managers actually flew to Toronto to pick up the cheques for their own particular ministry. There was a good chance there were four or five of them on the same plane, and yet a courier coming from Toronto could have performed that function at a much lower cost.

**Hon. Mrs. Scrivener:** I don't really know of all of these office managers, because basically we did use couriers—

**Mr. Angus:** I know the Ministry of Correctional Services didn't.

**Hon. Mrs. Scrivener:** —or the Ontario Provincial Police.

**Mr. Angus:** I know in previous years that's happened. I know there has been what they call the "pony express" bringing them through, but it didn't seem to happen this year.

**Hon. Mrs. Scrivener:** We just don't put through large numbers of cheques with anybody. We're quite secretive about the way we send them and we're very careful about who the carrier is. So I don't think we had very many private individuals acting in that capacity.

**Mr. Ruston:** Strikebreakers.

**Hon. Mrs. Scrivener:** We were just trying to see that people got paid.

**Mr. Chairman:** Mr. McCague.

**Mrs. Campbell:** Watch out for him—he got his Zenith phone number.

**Mr. McCague:** I'm trying for a chesterfield next.

**Mrs. Campbell:** You'll get it.

**Mr. McCague:** In this building is there mail pickup and delivery in all offices?

**Hon. Mrs. Scrivener:** To the best of my knowledge.

**Mr. McCague:** Is there any reason why the last pickup has to be at 2 o'clock in the afternoon?

**Hon. Mrs. Scrivener:** I don't know what it is this year, but last year it used to be some time like 4 or 4:30. Until last October I know that was the last mail in the day.

**Mr. McCague:** I think it's somewhat earlier than that. Would you mind looking into that, please?

**Mr. B. Newman:** Most of the questions that I was going to ask were asked by one of the previous speakers, and those concerned the involvement of this ministry during the mail strike, but I would like to make a suggestion to the minister concerning our own post office in the buildings.

I think you should have a slot in the post office so that if we go to put in mail after 5, after they are closed, we don't have to carry it back to our offices. There should be some kind of convenience in there, a slot in the door with a box on the other side or something else that your officials can devise, and maybe even a box on the main floor with a slot going right into the post office so that we don't have to go down into the basement to send mail.

**Hon. Mrs. Scrivener:** There is a box outside.

**Mr. B. Newman:** Yes, but the box on the outside is for general mailing. That's for the mailing that is going on the outside, that's not for the internal mailing. I don't think it is for internal mailing; I think it's for external mailing. I would prefer something down there when 5 o'clock comes and the office is closed, and I don't want to carry the mail back. I could just put it in there and know it's behind closed doors.

**Hon. Mrs. Scrivener:** By the way, Mr. Chairman, has everyone noticed our spanking new government mail boxes which are strategically located outside this complex and outside the Macdonald Block for the convenience of the public, so that they don't even have to walk into the building to deposit mail for delivery within the government?

**Mr. B. Newman:** Now if you'll do that for us.

**Hon. Mrs. Scrivener:** Glad to oblige.

**Ms. Bryden:** Mr. Chairman, I am sure you are aware the bells are ringing.

**Mr. Chairman:** I am.



**Ms. Bryden:** We will adjourn at the appropriate moment, I hope.

I just wanted to ask if the minister can explain why this particular vote has gone up almost 50 per cent. I looked at last year's estimates, it was \$2,673,000, the gross figure before the recoveries; it is now \$3.5 million. It does seem like a fairly large increase. It is mainly in the transportation and communications section, I think. Have costs gone up that much?

**Hon. Mrs. Scrivener:** I'm sorry to have to tell you it's the increased cost of postage and increases in volume.

**Ms. Bryden:** The postage hasn't gone up very much in the last year, has it?

**Hon. Mrs. Scrivener:** The greatest end of it is on volume.

**Ms. Bryden:** Have you any figures on how much you are handling this year compared to last year?

**Mr. Williamson:** Yes, in 1974-1975 there were 31 million operations in the mass mailing operation alone; last year there were 49,538,000 operations.

**Ms. Bryden:** That was in 1975-1976?

**Mr. Williamson:** Right.

**Ms. Bryden:** Sounds like an election year.

**Mr. Williamson:** This year we feel it is going to go up over that. Then the number of metered impressions—that is, other than mass mail operations; this is just straight regular mail—was 1,226,000 pieces, and in 1975-1976, 1,788,900. We are constantly increasing.

**Ms. Bryden:** Whether elections come or go?

**Mrs. Campbell:** You should have seen the metered mail the Premier sent out from here in 1973.

**Mr. Angus:** I would almost assume it is outside your jurisdiction, but people can mail letters to the federal members without the use of a stamp. Is that just because it is a federal post office, and we don't have any possibility of getting that situation for ourselves? Is it simply because they own the federal post office?

**Mr. Thatcher:** Yes, it is.

**Mr. Angus:** There is no way that could be negotiated with them for the Province of Ontario?

**Mr. Thatcher:** No.

**Mr. Angus:** Have you ever tried?

**Mr. Thatcher:** The reason that it is done is that it's a federal privilege and it goes with the division of powers under the British North America Act, and it would be fruitless for the province to attempt to get the same privilege.

**Mrs. Campbell:** And it doesn't matter which government is in Ottawa.

**Mr. Chairman:** Shall item 6 carry? Carried.

Item 7, records centre. Carried.

Item 8, legislative services. Mr. Angus.

**Mr. Angus:** Thank you, Mr. Chairman. Possibly before I begin we could find out from the clerk when we are due to vote in the House?

**Mr. Chairman:** We expect it to be close to 9:30, but the clerk will check, probably at 9:25.

**Mr. Angus:** Okay. I am acting on behalf of two of my colleagues, and you may be thankful because they are both long-winded so I will be fairly short.

**Mrs. Campbell:** Elie is speaking in the north, I understand.

**Mr. Angus:** That's right and Michael is in the Camp commission.

I want to talk about the accommodation of members and the situation that I think all three parties find themselves in. There's some information I would like to read for the record, that excluding the chamber itself in the Ontario Legislature building, about a quarter of the building is devoted to legislative uses for the Clerk, Speaker, staff and building functions, such as the restaurant and police headquarters.

Another quarter is devoted to the MPPs and staffs of the three parties, including the two opposition leaders. This breaks down to 14,800 sq ft and 62 offices for the NDP; 10,950 sq ft for the Liberals and 17,450 for the Conservatives, including ministers' sessional offices when their ministry is located elsewhere. That's for a total of 43,000 sq ft. By party, it's 240 sq ft for the NDP, 220 for the Liberals and 350 sq ft per office for the Conservatives.



The government itself has just over a quarter of the building, or 48,000 sq ft. This breaks out to 24,000 sq ft for the ministries; 12,200 sq ft for the cabinet office and 11,500 for the Premier (Mr. Davis). A bit less than a quarter goes to the Lieutenant Governor, 8,500 sq ft, the press, 5,140, and the Library, 18,650, for a total of 32,000 sq ft. The total for the building is 166,000 sq ft.

One point I would like to note is that in addition to the Conservatives having more space in terms of square footage per office, or square footage per caucus, they tend to have fewer functions to fit into their space; i.e., they have more room to spread around. The Camp commission has recommended that each member—

**Hon. Mrs. Scrivener:** Before you proceed, Mr. Angus, could you please oblige me by again giving me the dimensions you had for the total square feet for the three parties?

**Mr. Angus:** Okay. For the NDP, 14,800, with 62 offices; for the Liberals, 10,900, with 50 offices; and 17,400 with 50 offices, for the Conservatives, and that is a total of 43,000 sq ft.

[9:15]

The Camp commission recommended that each member have a floor space of 160 sq ft, plus an outer area of 120 sq ft for a secretary and as a reception space. In addition, the parties would require space for research services to members, etc.

To obtain that minimum recommended by the Camp commission, it would require an extra 10,000 sq ft over and above what is available now for the individual member, no matter what party he or she may belong to.

I would like to read certain excerpts from three reports of the Camp commission—the first, the second and the fifth.

**Mr. Gregory:** Mr. Chairman, on a point of order, if I may. I don't wish to take issue with Mr. Angus; however, this is a matter which is being dealt with by a select committee and I think it is a little out of order to bring it up. They are taking an in-depth look at this, and I don't know how we can possibly use information that is in the Camp report at this time before it is dealt with by that committee. I really think it is out of order.

**Mr. Chairman:** Mr. Gregory, I am not certain whether this is before the select committee or not. I would ask the minister—

**Mr. Gregory:** I can assure you it is, Mr. Chairman, because I sit on the committee.

**Hon. Mrs. Scrivener:** I have already presented information to the select committee on the Camp commission and I believe they have gone into this matter in very considerable depth, because you had Mr. Laws before you in the committee and they have also received these plans from my ministry. Those are the plans that were supplied to you, are they not?

**Mr. Gregory:** Yes.

**Mrs. Campbell:** Mr. Chairman, I would like to speak to it because it has not been gone into in depth by the committee studying the Camp commission report. We haven't come to it. To my way of thinking, in fact, particularly as far as the Liberals are concerned, the discrepancies are outrageous, and I don't feel that we can afford to wait until we get in engineers and architects, as we propose to do, to study this building. That's a matter of urgency, and I think to say that it is out of order is, with respect, wrong. Perhaps the references to the Camp report technically might be deemed to be out of order, but not the discussion about services to the members.

**Mr. Angus:** Mr. Chairman, speaking to the point of order—

**Mr. Gregory:** If I may continue on my point of order—

**Mr. Chairman:** Order, please. All right, Mr. Gregory, I had thought you had finished, I am sorry.

**Mrs. Campbell:** I am sorry, I thought so too.

**Mr. Gregory:** No, I yielded, I am a very gentle person.

**Mrs. Campbell:** I apologize.

**Mr. Gregory:** Mr. Chairman, I don't argue with what Mrs. Campbell says and I think there has to be an in-depth look at it. We discussed this at the select committee and we have taken tours and the whole bit, but I do think it would be unfair to raise a big point and sort of pre-empt what the committee is presently doing. After all, if we go back to the first Camp report that was presented to the Legislature and adopted in total, I think the members present will agree that they are doing a pretty fair job and to pre-empt it at this time—or to perhaps, as I said one time before, to precondition mem-



bers to a certain way of thinking without a complete study by this select committee would be a little unfair to the committee. I would like to see it dealt with at the select committee, and certainly it will be. It's one of the items that's on the schedule to be studied and investigated in full, and we will be doing this. I think those members who sit on the committee—Mrs. Campbell is one of them—will agree that we've all been reasonably co-operative in talking about this and getting plans, etc., etc. As a matter of fact, I've even had you up in my office, Margaret.

**Mrs. Campbell:** Yes, you don't need to worry. Your office is about half the size of this room.

**Mr. Gregory:** Let us not exaggerate. I do think it is out of order and I would ask you that it be ruled out of order, Mr. Chairman, in all fairness to the committee.

**Mr. Angus:** Mr. Chairman, my only comment is that we have an item here called "legislative services"—

**Mrs. Campbell:** That's right.

**Mr. Angus:** —and that if it doesn't fall within the realm of this then I would agree that it would be out of order, but I believe strongly that it does fall within the constraints of this particular item. I respect the opinions that have been given and if you rule in favour of me I will reduce my comments in reference to the Camp commission and deal more specifically with some of our concerns.

**Mr. Lane:** Mr. Chairman, on the same point of order, it seems to me that the point that Mr. Gregory has raised is very pertinent. If something is already scheduled to be dealt with in committee in depth, it seems to me that we're wrong in setting a precedent that they'll have to follow. It tends to cause a disruption in their line of thinking probably and in their final report. I don't disagree with Mr. Angus that it should be discussed, but it just seems to me the time is wrong.

**Mrs. Campbell:** Mr. Chairman, if that is the case, may I raise this in answer to the point of order? In view of the fact that the select committee—

**Mr. Chairman:** Do you usually debate a point of order? Oh, I suppose you could.

**Mrs. Campbell:** In view of the fact that the select committee is discussing, among other things, the transfer of this vote to the Speaker, perhaps we shouldn't pass the vote

at all until the committee has dealt with the matter and decided who is going to be responsible. That is just about as logical, with respect, as the statements made about not dealing with the urgent need for decent space for members at this time.

**Mr. Swart:** Surely, Mr. Chairman, this can't be considered a point of order. Even if there's a total duplication of discussion, where is the rule that would state that we are not to discuss this item here because it is being discussed in another committee?

I sit in the House when the budget is being discussed. Exactly the same items are being discussed in the budget as are being discussed in the estimates, and one or the other of those must be out of order if you're ruling this out of order. I don't think there's any point of order at all. It may be a waste of time, it may be a duplication of effort, but in no sense is it any point of order.

**Ms. Bryden:** Mr. Chairman, I just wanted to add that my understanding of the rules is that the only thing you can rule out of order is something that has already been discussed in the House or in this committee, and the fact that something may be discussed in the future in another committee doesn't seem to me particularly relevant.

Also, the Camp commission will not be discussing the actual amounts allotted for legislative services in this vote. It is our responsibility to either accept or reject the amounts that are here, and I think that's what we should proceed to do right now, and discuss what those amounts are to be used for.

**Mr. Chairman:** Thank you. I appreciate the point of order. However, if the members will recall, a number of members asked to speak on this particular subject on a previous vote and at that time I believe I stated, and the minister also said, that it could be discussed under item 8 of vote 804.

I will agree that this may be or is under discussion by the select committee, but I feel that we should give the members an opportunity, and I know Mr. Angus said he wouldn't be too long.

**Mr. Gregory:** Mr. Chairman, may I ask further then, is Mr. Angus speaking about something that will increase or decrease the amount of money allotted under these estimates for legislative services? It seems to me that's the point we should be addressing ourselves to; whether in fact it affects the amount. We're talking about a physical



thing, as to who has a bigger office than who, and it doesn't strike me as being pertinent to the amount that's shown in this budget, and that's why I'm suggesting—

**Mrs. Campbell:** We might, in fact, think that perhaps Mr. Morningstar shouldn't have a big committee room as his office and that might reduce, in fact, the costs of this ministry.

**Mr. Gregory:** I think that's a rather irresponsible statement, Mr. Chairman.

**Mrs. Campbell:** You asked whether it would increase or decrease—

**Mr. Gregory:** There's no evidence that Mr. Morningstar or anyone else has an office.

**Mrs. Campbell:** There is indeed.

**Mr. Gregory:** No, there isn't.

**Mrs. Campbell:** We saw him there when we went through it.

**Mr. Gregory:** I have many people sitting in my office from time to time, but I don't own the office.

**Mr. Chairman:** Order, please. As I stated earlier, I feel that the members were informed that they could discuss this matter under this vote. It's really up to the minister to answer any questions that they have. If she wishes to state that it does not come under this vote I think that's entirely up to the minister.

**Mrs. Campbell:** She already stated when we were talking of accommodation that that was not the proper vote, this was the proper vote.

**Hon. Mrs. Scrivener:** Matters relating to this building come under this vote.

**Mrs. Campbell:** That's right.

**Mr. Angus:** Mr. Chairman, do I have time to continue before we vote?

**Mr. Chairman:** Yes, about another 10 minutes.

**Mr. Angus:** Another 10 minutes? They're having trouble finding people tonight.

I believe the 10,000 sq ft does relate to the amount in the estimates, the dollars spent for legislative services, because it's talking about the maintenance and talking about the services to members. As I went through the map that was provided, a very nicely coloured folder, I noticed that the Minister

of Government Services has a very standard size office or double office. The Minister of Agriculture and Food (Mr. W. Newman) has what looks to me like an office about double the size of mine, but it would seem to be fitting within the realm. Then I look at the Provincial Secretariat for Resources Development, and there are seven offices. As for the Office of the Premier, I can see that kind of situation remaining with a number of offices, because of the size of staff and because it seems to be traditional that the Premier, who doesn't have, shall we say, a specific portfolio to be any place else but within the Legislature. Look at the Ministry of Culture and Recreation—and, heaven knows, they have a big enough bureaucracy elsewhere in this city—I can't see why they would need 12 different offices.

**Mrs. Campbell:** Those are going to be ours, to make up for the ones we don't have now.

**Mr. Angus:** Those are two. The Provincial Secretariat for Justice and Solicitor General, nine offices. Mind you, I keep seeing "Office of the Premier" on every floor. Do they have internal ladders that join them? Then on the top floor I see that the Attorney General and Solicitor General are joined by a joint reception area, and have what I would suggest is a very adequate size of office for the functions that they perform, inasmuch as their ministry is elsewhere within the city. It's the same thing with the Ministry of the Environment; the Ministry of Natural Resources has got an amazingly small office.

Then I look at the government members, who obviously have offices that are much larger, on an individual basis, than those of the Liberals or those of the NDP. I don't have to talk about the square footage; you just have to compare the size.

I think we can find very quickly that extra 10,000 sq ft that would be required to give each member of the Legislature, whether he be a Conservative, a Liberal or a New Democrat, what the Camp commission describes as an adequate accommodation—160 sq ft for the member and 120 sq ft for the assistant or the secretary. That was the recommendation that was made and it seems to me to be a very realistic one. When I came to Queen's Park, I was very pleased to find that I would have my own office and my own secretary for the first time in my life.

Before I go any further, I would like to have the minister comment on that proposal.

**Mr. Chairman:** I'm sorry to interrupt, but the committee will recess while the members



go to vote in the House, and I hope they will return as soon as the vote is over.

The committee recessed at 9:30 p.m. for a vote in the House and reconvened at 9:50 p.m.

**Mr. Chairman:** I would like to thank the members of the committee for returning so promptly. Mr. Angus, I believe you were in full flight there.

**Mr. Angus:** I was waiting for an answer from the minister.

**Hon. Mrs. Scrivener:** As I understand it, the thrust of Mr. Angus' argument is in terms of the space allotted to members of the provincial Legislature. Just to go back and recap a little bit of history with which I am familiar, the offices in the north wing were created in 1970 or thereabouts. Part of that north wing had been occupied by the Ministry of Education. That space was vacated in order to create private offices for members of the Legislature, and it was then that those offices were done, the partitions put up and so forth and so on.

In 1971, the Conservative members occupied the first floor of the north wing in its entirety. The Liberal and NDP members, between them, occupied the second floor, and each party had its own support staff on the same floor. So in those days, 117 members plus support staff occupied the first and second floors of the north wing.

Following the election in 1975, obviously a change had to be made to provide additional space for the NDP and the Liberal Party. The NDP and the Liberals wanted more space, and there were not just one or two, but I gather there were at least four meetings between the Speaker and his representative and the party whips and leaders to discuss what the space could be. Apparently the building was very thoroughly inspected, the offices were reviewed. I did attend one meeting in an informal capacity myself, because there was great consternation. The Liberal members had expressed a desire to take over the main floor, the NDP said it wanted the second floor and the Conservative members, who had occupied and were then occupying the ground floor, appeared to be in the process of being displaced.

The result of all of this was that an amicable agreement was finally settled with the Speaker. It was the Speaker who allocated this space. It was agreed, and all parties seemed to be in concurrence, that the Liberals would take the ground floor and the

NDP would take the second floor plus the suite in the southwest corner, which formerly had been occupied by the Liberals for the Leader of the Opposition. I have to say that in the time between 1971 and 1975, the NDP as the third party had occupied a similar suite in the southwest corner of the third floor. They had had comparable space there.

The Conservative members were then—and I have to use the word—relegated to some offices in the hall on the fourth floor in the west hall; there was not even any organized system of offices. You may not be aware of it—but I am—when this change was finally broken to the Conservative members, there was practically a revolt in the caucus. They were quite accustomed to their offices on the ground floor and were feeling very displaced and discommoded; they would be so much farther away from the legislative chamber and they were not within easy walking distance. So I'm revealing a small contretemps, I think, perhaps for the first time. In any case, they finally agreed to that inconvenience and to the move. But I have to tell you very reluctantly, they did not want it.

The allocations were most definitely done in a committee chaired by the Speaker and with his guidance, and were arranged between the three parties with the whips and, I think, their leaders. There was a lot of consultation on all sides. To express dissatisfaction now, after all of this went on—and I can tell you the change was slow, unhandy, expensive and very inconvenient for every member, because there was such a change in telephones while, at the same time, we tried to enlarge the offices to take up more of the hall space and to provide more space for the reception areas themselves. It wasn't all that easy, and it was expensive. A great effort was made to adjust the offices to the wishes of the parties, and it was the party leaders who designated pretty well the way they wanted it done.

**Mr. Angus:** I appreciate that, and I was aware of those negotiations, because as a new member I kept wondering what was going to happen to me and where I was going to go.

**Hon. Mrs. Scrivener:** It was all up in the air for about three weeks.

**Mr. Angus:** But during all that course of discussion, to the best of your knowledge, was there any discussion around whether or not any additional space could be obtained by moving one of the government ministries, like the Ministry of Culture and Recreation or the Provincial Secretariat for Resources



Development, to another building in the Queen's Park complex so that additional space could be made available for each member?

**Hon. Mrs. Scrivener:** No. At that time—October into November—there was no thought of moving ministries. It was just a question of how to cope with the challenge with which we were being faced, because the building was absolutely overloaded. We didn't know which way to turn for space.

**Mr. Angus:** Yet, ironically, there weren't any more members than there were the year before.

**Hon. Mrs. Scrivener:** Yes.

**Mr. Angus:** There were? Yes, there was redistribution; I'm sorry. But, as my colleague says, only eight more.

**Hon. Mrs. Scrivener:** Yes, but they all have staff. Also, for instance, the NDP doesn't use the corner suite, as its predecessor did; so that adds to the load you have in your offices on the second floor, because your predecessors had their leader plus all his staff and research in those offices.

[10:00]

**Mr. Angus:** But you said that we had that corner suite for research.

**Hon. Mrs. Scrivener:** Yes, you do.

**Mr. Angus:** We had it on the fourth floor, and now it's on the first floor.

**Hon. Mrs. Scrivener:** But you have a caucus office, and the offices on the ground floor certainly are roomier and more spacious, I think, than they are on the third floor.

**Mr. Angus:** Oh, I'm sorry. I've never seen the ones on the third floor, but you indicated to me in your recent remarks that they were the same.

**Hon. Mrs. Scrivener:** Yes, in that back hall, they are more or less the same. I think the partitioning is perhaps a little more—

**Mr. Angus:** Between the third and the first.

**Hon. Mrs. Scrivener:** The partitioning, I think, is different on the third floor.

**Mr. Angus:** How do you personally—and I am specifically asking for a personal opinion—feel about the movement of some of the very large ministries out of the Legislature and into their respective ministry headquar-

ters, in terms of the number of offices? And just maintain—

**Hon. Mrs. Scrivener:** There's no point in my expressing a personal opinion, since I administer the building as a minister.

**Mr. Angus:** Then could you give me an opinion as a minister?

**Hon. Mrs. Scrivener:** The building is slowly—very slowly, but slowly—sorting itself out, I would observe. We have been able to resolve some of the problems that we've had to deal with, and I think that in time we will gradually get it sorted out; but it does take time and it's a very costly process, because it's a very old building and a very difficult one to deal with. Every time you make any adjustment, it costs about three times what it should cost in any other building.

**Mr. Angus:** I appreciate it, but you're not answering the question I asked you. I asked you how you felt, as a minister, about removing some of the large ministry office complexes from the Ontario Legislature and keeping an office for each ministry, the same size as the one you use in the Legislature, but not having eight or ten offices.

**Hon. Mrs. Scrivener:** The Ministry of Culture and Recreation is going to be moved or consolidated this fall; we will be condensing it from about 14 locations into about five. That will be a change and will certainly free up some space in the building.

**Mr. Angus:** The consolidation is not just within this building; it's within the whole ministry. Is that correct?

**Hon. Mrs. Scrivener:** Yes, they're scattered.

**Mr. Angus:** Do you have any idea at this point in time what you will be doing with the additional space freed up by the Ministry of Culture and Recreation move?

**Hon. Mrs. Scrivener:** It's under consideration.

**Mr. Angus:** Are there any other ministries that are in the process of consolidating and moving out?

**Hon. Mrs. Scrivener:** I don't think so at this time.

**Mr. Angus:** Would you, as the minister, recommend that that happen?

**Hon. Mrs. Scrivener:** Not at this time, not at a time of constraint.



**Mr. Angus:** Even if there was space available in their own ministry facilities?

**Hon. Mrs. Scrivener:** That is the problem. There isn't much space available.

**Mr. Angus:** The other situation that was talked about in the Camp commission report was the removal of the building from the responsibility or supervision of the Ministry of Government Services and placing it in the hands of the Speaker of the House, the individual who is unique in that he and only he is elected by all members to play a certain role. Can I get your opinion on that?

**Mr. Chairman:** I don't know that that's particularly under this vote, but I'll leave that up to the minister.

**Hon. Mrs. Scrivener:** I don't think it's terribly relevant. It's going to be a decision of the Legislature.

**Mr. Angus:** But obviously you'll have some input into that decision at some point in time.

**Hon. Mrs. Scrivener:** Yes, I may speak on it.

**Mr. Angus:** But at this point in time you're not prepared to indicate either way.

**Hon. Mrs. Scrivener:** No.

**Mrs. Campbell:** I think there were one or two statements by the minister which I think she tried to correct later on because she left an impression which wasn't quite accurate. In her first statement, she said that all of the support services were on the one floor; they were not, of course. She then corrected that to say that the leader of the then official opposition and research staff were not in the same area as we were, nor was that true of the NDP; that the NDP leader had his offices on another floor.

**Mr. Angus:** He was on the second floor, on that one side.

**Hon. Mrs. Scrivener:** Yes, on the second floor.

**Mrs. Campbell:** And there were other offices which you had for research and support staff—

**Hon. Mrs. Scrivener:** Yes.

**Mrs. Campbell:** —and which were not on your floor. Now, at the time that all these discussions were going on, as I understand it, it is a fact that there were general agree-

ments, but Mr. Lewis at first publicly stated that he was not going to take over the offices of what had been the official opposition, and I presume that a good deal of the discussion with our party was based on that understanding in the beginning. Subsequently, he said that he was going to take it over for research. The research portion that he had, as I understand it, was then taken over by somebody else and was not allocated to the Liberals. Is that not correct? Could you tell me what ministry or who took it over?

**Hon. Mrs. Scrivener:** That would be the Ministry of Justice, I think.

**Mrs. Campbell:** Yes. So that with two members less than the official opposition, we have 12 office spaces less—and there was never that understanding, in my understanding of what went on, that we would not be compensated for that.

**Hon. Mrs. Scrivener:** I'm sorry, I really must have this record really as accurate as we can make it. It has been carefully re-reported to me that there was a clear understanding as to what the space would be, and there was concurrence.

**Mrs. Campbell:** I'm only speaking of a discussion I had with someone who was in the discussions, so I guess we're both speaking at second-hand. However, that is the clear situation at this point in time. There is no doubt about what we're faced with, there is no doubt that we have 12 office spaces less, and there is no doubt that this is not in keeping with the whole attitude which the minister earlier stated when we were discussing accommodations out of order, that her ministry naturally must indeed view all members equally.

We have asked for other space, and I think it's appropriate to note that you moved a ministry into space which had formerly been occupied by the NDP and you moved the NDP into our space, which left us with a minus factor at that point in time, quite apart from the space to which I'm referring. It doesn't seem to me that there was any clear evidence that all members, having been elected equally on exactly the same terms, should be treated equally.

We have viewed all of the offices in this building, and certainly it is clear that the government members do have offices which I could only describe as spacious. It's interesting that when we discussed furniture, standardization and so on, one of those who isn't here—an NDP member—all he wanted was



shelving, but he was told that wasn't standard. Yet at a time of constraint we furnish a lounge for ministers, with equipment that isn't standard either, and we have ministers with offices in this building, sessional offices. It does seem to me that in a time of restraint one might have looked to leaving them with their sessional offices rather than building in lounges for them and having both.

I refer you back to the fact that we did ask for a ground plan of this building—we didn't ask for the colour coding—and I'm surprised that the minister's reply was that the only plans they had were in stiff cardboard. One would have thought that after all these years there would have been plans that would be appropriately available so that we could see the amount of space we were looking at in this other committee. However, I accept the fact that the cardboard was all there was.

I would point out that the colour coding is certainly not accurate. As I said, we really don't count the Attorney General (Mr. McMurtry) as a member of the Liberal Party, although he's coded in as red. Maybe it isn't the same red, but it looks about the same as that allocated to the Liberals. Why he wouldn't be blue, I don't know—blue in more than one sense—and the reception area between the two of them is another colour coding. The Solicitor General (Mr. MacBeth) appears to be green, which could make him NDP.

I don't understand the colour coding, if one is trying to be accurate. As I say, the boardroom on that top floor is marked yellow but certainly was occupied, and admittedly occupied, by a member who had retired.

One would think that maybe if we took all the space which is allocated to other purposes we might very well come close to giving decent accommodation—and I have to say it—first to the Liberals, to bring us up to some kind of equality or equity. Looking at the additional space which the NDP have looked at, there is no doubt that this situation cannot continue. It just can't continue, and I would think that at the least we should have been entitled to have those portions which the NDP previously had for their research area.

Hon. Mrs. Scrivener: Mr. Chairman, to go back to my earlier statement, at the time before offices had been allocated after the election, before we had the musical chairs, the Liberals had pretty well decided that they needed more space. We all could see that the other parties needed more space. They came downstairs to the ground floor

after having had I think a caucus and a meeting in which they had indicated they wished the ground floor, and they were so sure that they were going to move to the ground floor that they came with their measuring tapes to measure offices to see about the move of their furniture and to prepare to allocate offices to individual members. So the ground floor did ultimately go to the Liberal Party as it wished.

The second floor then was taken over by the NDP. That left the Conservative members without space adjacent to the legislative chamber, and there was a very considerable concern as to where they could be located as a caucus. There was no place in the building at that time where there were any suites of offices or any clear space that you could just say, "That's where the Conservatives are."

[10:15]

Ultimately, in an analysis it was seen that by taking a couple of offices that were then vacant and making a move of a Justice wing and so on that the west hall on the fourth floor could be converted to offices for the Conservative members. So, the Justice section, and it was the legislative counsel section of Justice, was moved into the NDP research offices on the third floor, and there was a fair telescoping operation, I believe, and offices were then vacated and the Conservative members could move.

Until the NDP research moved out and the legislative counsel workers moved in, nothing was unblocked so that members could take over their new offices. That was one of the delays, getting the musical chairs in procession, because the building was so tight there was no place to move people to or to even park them temporarily.

I tell you that it was a most difficult time last fall. I think you have to consider the complaints in the light of the great efforts that were being made to accommodate each party and according to the desire of each at that time. If the desires have changed that's something else, but the fact is that this was the desire of the time and great efforts were made to accommodate those desires.

Mrs. Campbell: Mr. Chairman, it doesn't answer the fact that prior to this last election, when the two opposition parties were in relatively the same position, they had relatively the same space, save and except for the offices on the main floor which were roomier. The Liberals are now 12 office spaces short, and it's just as clear as that.



I think there is no question that some adjustment has to be made to give equity to every member if, in fact, this is the minister's function. I would ask her what consideration she is giving to accommodating these needs.

**Hon. Mrs. Scrivener:** Mr. Chairman, I have had some correspondence with the leader of the Liberal Party.

**Mrs. Campbell:** Yes, I'm aware of that.

**Hon. Mrs. Scrivener:** I really can't say very much more than that.

**Mr. Lane:** Mr. Chairman, I'll be very brief, because anything I have to say is after the fact. I spoke to the point of order that Mr. Gregory raised a while ago because I find it very difficult to believe that we cannot wait for the select committee report on the matters we're discussing right now.

In order to enlighten some of the new members, because I believe that of the nine committee members around the table now only Mr. Ruston and I were here in 1971—it might be sort of enlightening to know it yourself, Mr. Chairman—when I first arrived here in 1971, I stopped at the information desk on the way in and asked where my office was. I told the girl my name and she said: "I don't know. It could be on the second floor." I went to the second floor and stopped at the caucus office. They said: "Yes, I think you're one of eight members who are going to be in what is now known as the Conservative caucus office." So for three or four months there were eight members and four secretaries in the one room and there was no division except for book-cases.

**Mr. Gregory:** A party every night.

**Mr. Lane:** There wasn't any Camp commission in those times. About February, 1972, I got moved down to the north wing to room 114, which had a door but no windows. I was there with the member for Oxford (Mr. Parrott) in the adjoining room. We still had one secretary; two members and one secretary.

**Mrs. Campbell:** What was it like in 1912?

**Mr. Lane:** Time went on, then we eventually got our own secretaries, but I got sort of addicted to that little office down there on the ground floor. When I came back here after Sept. 18 and was told that I would be wise to look at an office on the fourth floor I said: "For what the hell reason? All my

stationery, all my business cards are geared for room 114 in the north wing."

I was very reluctant to move, to be quite honest with you. The minister has already pointed this out—and I'm sure some of my colleagues were told this as well—we were told at that point in time, in no uncertain terms, that the Liberals wanted that space and we would have to go upstairs. So we were directed to go upstairs.

In view of that, I just cannot see why we can't wait for the matter to be dealt with by the select committee, which was brought into existence after 1971 and has made a lot of improvements for the members within their terms of reference. What is the urgency at this point in time? This is the point that I can't understand.

**Mrs. Campbell:** We're squashed.

**Mr. Lane:** Mrs. Campbell, I can't see what the emergency is now when, as I say, we would have been very happy to remain on the ground floor.

**Ms. Bryden:** Mr. Chairman, I want to discuss a slightly different aspect. Can the minister tell us what was the reason for the long delay in getting telephone service for the members last fall? I think I have had four different numbers since I was elected, which makes it very difficult to inform your constituents how to reach you. It's only now—it isn't completed yet—that we are actually getting some sort of connection with the switchboard for the new members so that, when our secretaries are not there, or in the evening, a call can ring through the switchboard. Up till now it has just rung into empty air if the secretary wasn't there.

It was certainly six weeks after we were elected before we had a number assigned to us that we could sort of call our own. I would just like to know, is this the Bell Telephone's fault entirely or was it a fault here of not being able to inform them what our plans were? And is there any way of getting the Bell Telephone to plan for this sort of rearrangement after every election on a more rapid and efficient basis?

**Hon. Mrs. Scrivener:** I can't recall the exact number of weeks, but there was a delay of something like three to 3½ weeks in terms of the Bell starting the job. There was a considerable amount of signing that had to be undertaken but, apart from that, they were a little slow getting off the ground. Having been a little slow starting, then they found that with our very old wiring system they



couldn't have more than two to three men working at any time; they just got in each other's way.

They just couldn't put a crash programme on to make the changes here, because they don't have very big cables, nor do they have the ability to run large cables here. So the whole thing had to be done very carefully by just a few men who could understand the ancient system and cope with it. It was a very slow and very tedious job to execute.

Ms. Bryden: The minister said they were slow in getting going; was she pushing them and telling them how important it was for members to get phone service immediately after they were elected?

Hon. Mrs. Scrivener: You may be sure, except that some of the delay was ours. You see, we had people all packed up ready to move, and then we didn't get certain offices vacated on time.

Mrs. Campbell: That's right.

Hon. Mrs. Scrivener: We couldn't move people in because we couldn't move people out until we moved them out into another place. We had no temporary roosting places; we had no space to use as a clearing house for the move. It was really hairy.

Ms. Bryden: Minority governments may be here to stay, or we may have more than one, but is there any possibility of updating and modernizing the cable services to the building so that we don't have this every time there is a change?

Hon. Mrs. Scrivener: This is all in the process. We are updating the lighting system and we are making improvements constantly to this building.

Ms. Bryden: I have just one or two other questions under this; I believe the restaurants come under this vote?

Hon. Mrs. Scrivener: That is the Office of the Assembly.

Ms. Bryden: The actual operation of them. What about the provision of space for them? Do you provide the space?

Hon. Mrs. Scrivener: I think the whole thing is in the Speaker's Office.

Ms. Bryden: What about the Institute for the Blind stores? Does that come under the provision of space for them?

Hon. Mrs. Scrivener: Yes.

Ms. Bryden: I have heard that they find the lack of air very bad down there—the employees have mentioned this—and there is considerable overheating, to such an extent that the chocolate bars melt. They felt that their health was somewhat impaired by this kind of overheating and lack of air. Is there anything that can be done to improve the conditions for the employees in that store?

Hon. Mrs. Scrivener: As you know, there is a plan to air-condition the whole building, but no funds are available for this at this time. I think probably the air change in the summer is just not as speedy as it should be in those small enclosed spaces. I'm just wondering, while I speak, whether it would help cut out some of the heat if we were to reduce some of the fluorescent lighting.

Ms. Bryden: When will that particular part be air-conditioned?

Hon. Mrs. Scrivener: I don't know at this time. We're working on wiring. We're doing some improvements and changes to increase safety and things of this sort. We have an ongoing programme, but I think we're not going to be doing a major installation this year.

Ms. Bryden: It sounds like an area of considerable urgency, because they spend eight hours of the day there. A lot of us can get up and wander around, but they spend eight hours of the day in there and it isn't very conducive to good health.

Mrs. Campbell: The member should sit through one of these committee hearings in the summer when the temperature is up and down like I don't know what. It's so cold you can't sit in it and then it gets so hot you can't sit in it. It's horrible.

Ms. Bryden: In the provision of space for the cafeteria, I would hope that the minister would be looking for larger space. It's often very crowded, and I think visitors to the building would like more attractive space where they could have a snack after they've made their tour. Certainly the place where you line up is not nearly adequate for both serving short orders and hot meals. There's also a lack of variety. There's not even a water fountain there. If you want a glass



of water you have to ask the staff to stop frying hamburgers and go and get you a glass of water. I hope that could be corrected.

Mr. Chairman: Does item 8 carry? Carried.

I would inform the members that we will meet again on Thursday afternoon after the question period.

The committee adjourned at 10:30 p.m.

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Angus, I. (Fort William NDP)  
 Bryden, M. (Beaches-Woodbine NDP)  
 Campbell, M. (St. George L)  
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 McCague, G. (Dufferin-Simcoe PC)  
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 Ruston, R. F. (Essex North L)  
 Scrivener, Hon. M.; Minister of Government Services (St. David PC)  
 Swart, M. (Welland-Thorold NDP)

### Ministry of Government Services officials taking part:

Metcalf, G. R., Director, Printing Services Branch  
 Strauss, E. F. H., Assistant Deputy Minister, Supply and Services  
 Thatcher, J. C., Deputy Minister  
 Williamson, K., Director, Special Services Branch







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Government  
Publications

# Legislature of Ontario Debates

SUPPLY COMMITTEE—1

ESTIMATES, MINISTRY OF HOUSING

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Wednesday, May 19, 1976

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER  
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## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

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WEDNESDAY, MAY 19, 1976

The committee met at 2:10 p.m. in committee room No. 1.

#### ESTIMATES, MINISTRY OF HOUSING (continued)

On vote 2002:

**Mr. Chairman:** Members of the committee, if you would like to start there are only five, but if it is agreeable with you to start now, I have Mr. Godfrey as first speaker. We are on item 7.

**Mr. Godfrey:** Thank you, Mr. Chairman. I think we were talking, when I last talked, sir, on the North Pickering project and the planning programme for it. I wanted to come to this latest report, the latest one I have, which is the Environmental Management Opportunities one, and I note that it was written by Ecoplans. I would like to inquire if those are the costs as shown for the North Pickering consultants—the \$5,500 for Ecoplans, \$19,759 for MacLaren and \$18,000 for Horton Forestry Services? If that is so, that would mean the study cost about \$45,000 to \$50,000.

**Mr. Forster:** Your question is, are those included in the plan done for the city as well?

**Mr. Godfrey:** Oh, they're included, but I'm just asking about the cost of this report.

**Mr. Forster:** That report was put together, Mr. Chairman, by our environmental planning co-ordinator, Mr. Wilson, from the information from the various other reports and from the discussions with the joint environmental co-ordinating committee which we have with the Ministry of the Environment.

**Mr. Godfrey:** So in addition to the cost shown against these various consultants at other times, there would be some Ministry of the Environment input into that as well, possibly adding to the cost of production?

**Mr. Forster:** Yes, that's correct.

**Mr. Godfrey:** I'm just trying to establish that it is a prestigious document for which we've paid a lot of money and I think we've got a lot of good value from it. Indeed, I am amazed at the detail that is gone into, and I rather wonder if the minister realizes just what they're saying about North Pickering and the things that are planned for it? For example, coming back to the dam again, this document for which we have paid X dollars—I don't know how much it is for sure—proposes a 120-ft dam, with a lake back of it, at Whitevale. I presume you are aware of those facts, sir.

**Mr. Forster:** Yes.

**Mr. Godfrey:** I rather wonder if it is realized the environmental havoc that type of project will cause. Indeed, the writers of the report point out that if the proposed dam is proceeded with, this will back up considerable water to the north.

I am concerned with the detail into which they have gone; actually, I think you should change the name of this town from North Pickering, or whatever you were going to call it, to "Paradise Found," because undoubtedly it has been a paradise for planners. For example, I note a phrase in here that I don't quite understand. On page 41, talking about the quality, it says the storm waters must meet the required standards before they are introduced into the trout streams. It talks there about "fine-tuning" the water. I am a little confused; I don't know how you fine-tune storm water. I presume you have a scheme for that.

**Mr. Forster:** What they are really referring to is the quality of the water. Since storm water picks up sediment and debris, the fundamental proposal being proposed here and which was referred to on Monday, I believe, was the idea of a retention system rather than dumping the water into storm sewers and moving it out as fast as possible. The actual detailed design for any area would consider that.



**Mr. Godfrey:** I assume there would have to be further planning studies done for that.

**Mr. Forster:** Yes, indeed, there would.

**Mr. Godfrey:** Have you any idea what that would cost?

**Mr. Forster:** It is part of the ongoing design of any urban development.

**Mr. Godfrey:** So it is an unknown amount of money—possibly another \$50,000? You've got Hydrology Consultants in here; they have already spent \$143,000.

**Mr. Forster:** That's correct.

**Mr. Godfrey:** But they still talk about fine-tuning, and they haven't developed a system to do the fine-tuning with the \$143,000 that has been expended so far. You can see that I have been convinced by our government that we must constrain ourselves, that we really do need to hold in money at all places and that is why I am niggling over every nickel that comes up here as a responsible member of the opposition. However, it is obvious we haven't got an answer to that.

I was concerned a little bit about the wave action of the motor boats on Duffin Creek. I hadn't realized that we had such a large problem with wave action but this report, which cost X dollars, is concerned about the level of the lake and the wave action from motor boats on Duffin Creek. So far, we haven't anything larger than a small raft come up Duffin Creek, but I presume that with this beautiful new town, with all the industry that goes with that and all the prosperity attendant to it, we are now going to have motor boats. These are not questions; these are observations, of course.

I was wondering about the fish hatchery and trout creeks which are brought forward in this report. At present, we have a fair amount of trout out there—and I am not going to tell you where they are, Mr. Minister—in case you come out and try to get them—

**Hon. Mr. Rhodes:** Not in your area; I have bigger and better trout in my own.

**Mr. Godfrey:** Yes, but ours don't have nearly as much PCB as yours do, Mr. Minister.

**Hon. Mr. Rhodes:** There is none up where I am.

**Mr. Godfrey:** I know you are not pregnant, so it doesn't bother you.

**Hon. Mr. Rhodes:** There is none up where I am.

**Mr. Godfrey:** Anyway, I am impressed by the fact that this planner, in planning "Paradise Found," has suggested a fish hatchery as well as trout creeks, and I congratulate the organizers of this project. What were the terms of reference for this study? Could you give us an idea of the terms of reference that were given to this planner?

**Mr. Forster:** That study was an attempt to bring together the various recommendations and project them forward into a proposal for environmental management. There were no specific terms of reference per se set down for Mr. Wilson; the report itself was in large part a production of his own with the support that I mentioned previously.

[2:15]

**Mr. Godfrey:** Yes, but for example, what sort of terms of reference would Ecoplans Ltd. have for their study?

**Mr. Forster:** I am not sure which particular study you are referring to.

**Mr. Godfrey:** The \$5,500 one.

**Mr. Forster:** That was one of the environmental studies that was done. I would have to go back and look at it.

**Mr. Godfrey:** What I am trying to get at here is we have a great mass of information which has obviously cost money to produce. What I am trying to find out is, why was it produced? Somewhere in a term of reference somebody must have said talk about a trout stream, talk about fish ecology. I am trying to nail down where in the terms of reference that direction was given because these fellows don't work for nothing.

You are not going to get an ichthyologist in there reporting on the quality of fish in the stream unless somebody directs him to do that. Therefore somebody must have said let's plan this paradise and have some trout there as well. I am trying to nail down where that term of reference is. If you can't give it to me off-hand, I will just have to accept it as that and possibly I might go on to the other beautiful aspects of this area.

For example, I notice on page 32 it is suggested there be a regional park and this is indeed a grand one. There is nothing small about it. There will also be archaeological interpretation of the park development in this location, and I agree. I think that we in Ontario do need more of this but I am just trying to get why it is that North Pickering is getting all these things when just a little bit north of that, where we have possibly the



most unique archaeological finds in Ontario, we can't get a nickel out of the government to plan that. We can't even get a planner to come in and tell us how to work it for the future. I don't know whether you have got an answer to that.

I notice here too a reference which will interest you. We do have a salmon run on Duffin's Creek. At least it says in this study that there is a salmon run. They are concerned that construction should avoid where possible the fall salmon run from September to November. I congratulate the planners of this. They are proposing a rather expensive construction to avoid disturbing the salmon in their run. There isn't a dollar sign attached to that but I am sure that they must have figured that out in their final fee going in.

The thing that concerned me about it was on page 22, and surely this must be the product of somebody other than your ministry. Surely this came from a document somewhere. It points out that this will be a place for testing man-in-nature concepts. I don't know how you respond to that. Are we involving on sociological studies with this type of planning document? Is that the business of the Ministry of Housing? This is what's stated in this brochure. I don't know whether you have got a response to that or not. Are you in favour of testing man-in-nature concepts at public expense?

**Hon. Mr. Rhodes:** I have no idea what they are talking about.

**Mr. Godfrey:** No, sir, but you paid for it?

**Hon. Mr. Rhodes:** I don't think I paid for that report. The North Pickering Corporation did.

**Mr. Godfrey:** Of course the people of Ontario paid for it. But that's the thing that bothers me about these documents. There was \$2,153,000 spent on plans for the North Pickering development, and this is the type of thing I am reading.

**Hon. Mr. Rhodes:** Although I realize the direction you are going in, I think you are being hypocritical of the amount of money that was spent on planning. By the same token, I would think that you and many others would have been even more critical, if some of this very type of planning had not been carried out. If we had charged ahead into this project without this sort of planning, then I am reasonably certain that your direction at this very time would just be the opposite thrust. You would be asking

why we are doing these things without first having taken these things into account. You would have listed all the very things that have been done in anticipation of just those very questions that, not only you, but others have asked.

I gather from some of your comments you really think some of the work that was done in an effort to have some concern for the ecology and for the environment really wasn't worthwhile and was a waste of money. I hope I am not interpreting you correctly because I have always been under the impression you were very much concerned with these things.

**Mr. Godfrey:** Thank you very much, Mr. Minister. You're quite right, I am concerned about it. My deep and abiding concern, though, is wasted money. Certainly I approve of ecological studies but surely there must be some dimension of economy in it. Surely in these times of financial constraints we can't go throwing around this type of money, which comes up with a recommendation for yearly pay of \$222,000 for staff to handle this project, including environmental co-ordinator, water chemists, soil scientists, forest, fishery—and that doesn't count the hatchery; that's excluded. That's in addition to that.

I'm sorry, I will not allow myself to be tarred with the brush of being parsimonious as far as environmental control is concerned. I want to see that money spent but I insist it be spent wisely and I think that this is most unwise.

**Hon. Mr. Rhodes:** The difference there, with respect, is your arguments are obviously being based upon the fact that you are totally and unequivocally opposed to the North Pickering project—to the development of that community. I know that and I think anyone who has read any of the newspapers is aware of that.

The difference is that the decision has been made to go ahead, albeit you're not in favour of it. What you're really saying is that we shouldn't have done any of these things, not because they shouldn't be done if the community was being developed, but that the community should never have been developed. It is going to be developed and the work is being done. I think the work that is being done is worthwhile.

**Mr. Godfrey:** Mr. Chairman, I appreciate the minister's twiggling to the fact that I'm not happy with the North Pickering project. I congratulate him on his sensitivity. On



the other hand, I will not be put off with a black and white situation. The fact I'm against the North Pickering airport city is in no way preconditioning the way I feel about money being spent uselessly and frivolously on planning. Let us have that clear. You will not bring me in in the one lasso.

Just listen to this and see if your mind doesn't boggle a bit. Tree-by-tree tagging and tree-by-tree evaluation of treed areas impinged upon by development should be undertaken. Such tree analysis costs \$2 to \$4 per tree or twice that if the data are computerized for design purposes. I pray you will not put the trees on a computer in this study; we can't afford that.

You've constrained me; you've cut down my budget at Whitby, at the hospitals and other things like that. I simply cannot condone that type of expenditure. But let us move on; I think I have made my point.

**Hon. Mr. Rhodes:** I think Mr. Forster would like to comment on that last part.

**Mr. Forster:** The tree survey is a standard technique of anyone who's into detailed design for urban development purposes; and that is the purpose of that comment. Otherwise, you go in willy-nilly and whack down trees while those which are left die if they're not properly prepared by thinning beforehand and this sort of thing. That's the purpose of a tree survey. Nobody's going to go across 6,800 acres en masse and do a tree survey.

**Mr. Laughren:** Could you tie it in with the federal census?

**Hon. Mr. Rhodes:** It's amazing how you can go both ways. It's just astounding. I've listened to, not the same members but members of the same caucus, roaring and ranting and screaming about not having taken these things into account and I'm going to hear more of it in these estimates, I can assure you, when we start talking about such exotic places as the South Gloucester development. You'll be around, I hope, to hear the other view about how much we're not doing and what considerations we aren't taking in the protection of the environment. Here you go on both sides of the issue, in any direction you want to go.

**Mr. Godfrey:** I suggest you're not doing it because you don't have enough money to do it in both places. In this place, certainly, you've overspent.

Picking up what was said earlier about the tree-by-tree, I agree that's an excellent planning tactic and I congratulate you on it. How

many trees are there in the North Pickering development, if I may ask?

**Mr. Kerrio:** They haven't tagged them yet.

**Mr. Godfrey:** Exactly. They're going to go out and tag maybe 20 million trees at \$4 a tree, and this is responsible planning.

**Hon. Mr. Rhodes:** I really don't believe it, with all sincerity, and I know we're having a very congenial discussion and have had for some time. You don't believe that and I think it is absolutely silly that you would sit here and make that statement because you know that isn't going to happen. You're an intelligent enough person not to make that sort of silly statement, really. You know that is not going to be tagged for 20 million trees. And are there 20 million trees in North Pickering? You are very knowledgeable of the area.

**Mr. Godfrey:** I have to agree with you, sir, when you say I am intelligent. Thank you. I don't know about the rest, because it is not beyond the realm of possibility, with regard to what was just said, that they will go out and tag every tree.

**Hon. Mr. Rhodes:** Are there 20 million trees there?

**Mr. Godfrey:** No. I think there were 22,000,964 the last time I counted.

**Hon. Mr. Rhodes:** Considering the amount of time you obviously spent there, you must have counted them.

**Mr. Lane:** Some of them may have died since.

**Mr. Godfrey:** Oh yes, but there are new ones coming along. It is a very fertile area out there; it is class 1 farm land. We grow trees overnight.

**Hon. Mr. Rhodes:** Upon which you want to build houses.

**Mr. Godfrey:** No, I don't want to build houses.

**Hon. Mr. Rhodes:** Well, you have certainly changed your direction considerably.

**Mr. Godfrey:** Mr. Chairman, I am sorry; I don't understand the last statement. When did I say I wanted to build houses in the North Pickering development?

**Hon. Mr. Rhodes:** Well, you have said that several times.

**Mr. Godfrey:** I am sorry, on a point of privilege, I must ask you, where did I say that?



**Hon. Mr. Rhodes:** "What we really need out there in Pickering is housing," said Dr. Charles Godfrey, New Democratic Party member for Durham West and chairman of the People Or Planes committee." That was in the Dec. 9, 1975, Toronto Star.

**Mr. Godfrey:** Right. And did I say in the North Pickering development?

**Hon. Mr. Rhodes:** I said Pickering; it is all—

**Mr. Godfrey:** You just implied that.

**Hon. Mr. Rhodes:** You told me it was great farm land, the whole thing.

**Mr. Godfrey:** We have a lot of non-farm land towards the upper end of Pickering township, and I resent what you have said; it is very nasty of you. I am surprised at you in saying that.

**Hon. Mr. Rhodes:** I am not nasty at all. I quoted you.

**Mr. Godfrey:** Let's get back to one of the essential things that we talked about previously. I understand the present scheme is that after all this planning is done and we have got our \$2.1 million worth of planning out of it, the Crown company will go on to draw all the plans together and then, presumably, we will be turning certain portions of the area over to private developers on which to build houses. Is my interpretation correct as to the final scheme?

**Hon. Mr. Rhodes:** The building of houses?

**Mr. Godfrey:** Yes.

**Hon. Mr. Rhodes:** Yes, that's correct.

**Mr. Godfrey:** And the houses will be costed at what level?

**Hon. Mr. Rhodes:** I can't give you that. There is going to be a mixture of houses in the area.

**Mr. Godfrey:** Will there be some \$18,000 houses?

**Hon. Mr. Rhodes:** I can't tell you whether the houses are going to be \$18,000, \$75,000 or \$80,000 houses.

**Mr. Godfrey:** Could you tell me if there are going to be \$200,000 houses?

**Hon. Mr. Rhodes:** No, I can't tell you that either; I don't know.

**Mr. Forster:** No study yet.

**Mr. Godfrey:** Oh, there is no study yet; that is to come. I see. Well, I suggest that with the thrust of planning that has gone so far, we are going to be in the higher bracket rather than the lower bracket.

Woodlots present opportunities for design innovations, attractive backdrops, and neighbourhood recreational areas. Aesthetic opportunities are present in the dramatic relief of the valleys and the possibility of the new lake.

It doesn't lend itself to the type of housing we need in that area, Mr. Minister. We would like to be able to afford that, but I am afraid that when the developers realize the aesthetic opportunities and the dramatic relief of the valleys, that raises the price of the houses considerably.

I would like to have some sort of an understanding and a firm commitment from the ministry, inasmuch as the government has already invested \$200 million to acquire the properties and \$2.1 million to do the planning, that the housing to be built by the developers will be at a level that can be afforded by most people and will not be magnificent rural estates, as it were—on small lots, I agree—with the type of housing that goes along with this sort of thing.

I would point out—and I am closing now—that you are committed. You said yourself you are going to build this North Pickering thing; even if a planner came up and said you shouldn't build it, you are going to build it, and that's all there is to it, because this happens to be an ego city. You are committed to it, and you can't draw back from it; that's what it amounts to. I suggest to you it is not needed. We do need housing, but we don't need it on farm land in the North Pickering area. We don't need it with that type of planning.

I suggest to you, if you are going to say industry is going there, that industry will not go there and bypass Ajax, Pickering and Whitby, where we have vacant industrial parks and need the industry now, unless you offer them some very special inducements; and, as a taxpayer in Pickering, I object to you being able to offer industry that type of inducement.

I suggest to you that money has been wasted, and wasted without let, in the planning process, largely because you have never been able to decide what to do with this city that you are committed to. And I suggest that your planning and the terms of reference for the plans that have been drawn are really out of touch with reality. In these days of



housing shortages and these days of budgetary constraints, and I hear about them from you all the time, I think you have been most profligate in the expenditure of public funds. Thank you.

[2:30]

**Mr. Chairman:** Before we start, I would like to make one observation. We have 49 days left. We have carried nine votes out of a total of 19 in this ministry. We have eight more ministries to go, and if we don't start to cut down on the amount of time spent on each item, we're not going to get through. Let's try and—

**Mr. Williams:** I am sorry, Mr. Chairman, but I must respond to the North Pickering dialogue that's been going on. I think it is important, seeing as a great deal of time has been spent on it already, that we should finish off putting it into its proper perspective.

Unfortunately, I haven't heard all of the negative opinions that have been expressed by Mr. Godfrey over the past day or two but I'm well aware of his views on this matter. Most certainly I found it astounding, sitting here this afternoon, as the minister himself stated, I think he has under-emphasized his astonishment at what is being stated by Mr. Godfrey, about attacking planning, attacking those who have concern with the environment. It seems that he is really digging very deep to find legitimate excuses to continue to oppose a sound planning concept. It is just incredible to hear a man of his stature sit here today and ridicule environmental projects, saying perhaps it has been over-studied almost.

**Mr. Laughren:** Surely environmental projects.

**Mr. Williams:** As the minister has stated, if the studies hadn't been undertaken, regardless of cost, then the criticism would have been flowing. To see this reverse position, to find some justification for criticising, and the thin veneer of criticism was so obvious that it is ludicrous, I'm surprised that the opposition members would have to stoop to this kind of nonsense to be heaping ridicule on absolutely legitimate planning studies, as they sit there and laugh and ridicule the studies by experts who have been hired by government to obviously give first priority consideration to—

**Mr. Laughren:** They are hired to justify a decision that was already made.

**Mr. Makarchuk:** It's known as bailing out.

**Mr. Williams:** I think this is what is disturbing our friends who are finding a great humour in this today, that they can't find any negative recommendations or anything negative to the concept. In fact, it's reinforced by the environmentalists, the experts who have been hired to study this at public expense—and so they should have been—so that they could determine whether the previous criticisms have validity to them or otherwise. Now that it is determined there is no valid criticism as far as developing that community from an environmental point of view, then they have to resort to attacking the government for having spent money on these planning studies.

It really is indeed going to the bottom of the barrel to have to embark upon this type of criticism of the environmentalists and the planners, when they have simply undertaken a job to confirm what had been pretty well determined in the first instance. I think the government has to be commended for having gone out of its way to carry on studies in this depth to conclusively confirm the viability of development of a planned town in that community.

Certainly the development of reservoirs, which again the member saw fit to ridicule, has proved to have been one of the most successful type of directions in land planning government has gone in recent years.

I guess one of the first to be developed was the Fanshawe dam, in the London area. That proved so successful that it developed a whole new recreational and environmental community. Of course, there have been a number since then developed by the various conservation authorities, again under the auspices of the provincial government. We are well aware of the recreational and environmental studies which are being done all along the north shore of the lake both within Metro Toronto to the west and to the east as far as Pickering and Oshawa.

There is no question that this has to be a prime example of excellent government involvement in planning for a community. It is total planning which has brought forward a residential, commercial mixed development which has to bear all the earmarks of present and future stability based on this planning input. My only concern, I think, is with regard to the slowness of bringing this totally-planned community and area off the drawing boards into production, if you will. I recognize some of the difficulties which have existed and brought this about.



In particular, my concerns have been heightened in recent days, for instance, when it has been indicated in the news media that the Toronto airport facilities are again being overtaxed and experts in that field are suggesting the diversion of aircraft to the Montreal area because of the situation at Toronto. That has to heighten my concern and the concern of many people as to whether the Pickering airport facility is going to be proceeded with at an earlier point of time than the federal authorities had indicated a year ago, based on the unusual local pressure being brought to bear in that area. It seems to me that if a short time after that they are talking about diversion of air traffic to the Montreal area we have to start looking at it again in the broader, rather than the local, perspective.

I'm wondering, through you, Mr. Chairman, to the minister, whether he could indicate what the ministry has been doing, in conjunction with Transportation and Communications to keep completely up to date on provision of services in that area to service any airport facility which might be proceeded with in the next year or two. I know what the stance was a year ago but things are moving rapidly and this whole area is, I'm sure, ready to leap off the drawing board, so to speak, into production. The highway facilities and other basic facilities, of course, are part and parcel of that.

I'm wondering if you could indicate, Mr. Minister, what the current posture of the Ministry of Transportation and Communications is as regards the servicing of the area more comprehensively, not only because of the potential airport facility but also the new town itself.

**Hon. Mr. Rhodes:** There are really no figures available as far as what is going to be done is concerned. Transportation and Communications would be handling that and we have no role to play in that at all. As far as any of the other hard services are concerned that would be something Environment would be involved with. At this stage, the plan for the development of that area is in the very early stages and no cost values have been produced relating to transportation facilities or the other necessary servicing. Servicing is going on in parts of the Durham region but, to be specific as to the North Pickering project, we can't give you any figures on that at this time.

**Mr. Williams:** Are the services for the North Pickering project something that will be able to be brought on stream with the

local and provincial authorities working collectively together as soon as the green light is given for the commencement of the construction of the residential components of the North Pickering project?

**Hon. Mr. Rhodes:** Once the plan has been approved and has gone through the regular approval procedures, then the servicing can commence. When that's going to be remains to be seen. As I've said earlier in this discussion and as has been said before, the North Pickering community is part of the Durham region and the development corporation must act as any other land developer would act in preparation of a plan of subdivision and present that to the Durham region for approval and incorporation into their official plans. Until that sort of arrangement has been completed, then certainly no servicing can start.

**Mr. Williams:** One last question, in the estimates there is reference, under items 1 and 2 on the community planning programme, which indicates increased requirements for the towns and community development had been partially offset by reduced requirements for consulting services for the North Pickering project. Is that reduction of services in the North Pickering project a result of these various studies we've been talking about being concluded and would that be a final requisition; or is this solely because of the restraint programme, with the possibility of more activity in the planning area to be anticipated perhaps in the next budgetary period after the current one?

**Hon. Mr. Rhodes:** There is not as much money going to be required in this particular area as a result of some of the work that has been done as projects are completed. It may well be that as the plan starts to produce more there may be more money required for that processing in the next estimates.

**Mr. Williams:** In other words, you're saying that part of the reduction in costs there is because the bulk of the planning studies have been completed and on a permanent basis there would be a reduced involvement of the planners and need for related funds. Is that what I understand you to mean?

**Hon. Mr. Rhodes:** For this particular set of estimates, yes, that is correct.

**Mr. Hall:** I was sorry I didn't hear the beginning of Mr. Godfrey's comments on North Pickering on Monday. I was keeping



an eye on Mr. Crosbie at a Board of Trade meeting, along with Mr. Cassidy.

**Mr. Cassidy:** I was keeping an eye on you.

**Mr. Hall:** No, I sat behind you, my friend.

**Mr. Kerrio:** And I was tending house here.

**Mr. Hall:** I would have been quite interested to hear Mr. Godfrey's comments coming from the area that he does and I recognize him also as being an intelligent man. I think his specifics have been covered. There are a few general things I just want to understand.

However, I was interested in what Mr. Williams was saying about what the government view was on the hurry-up of the Pickering Airport. I thought the stance was made quite clear last summer that there would be no provincial services for any federal airport and therefore the decision was made that Pickering Airport would not be proceeded with.

**Mr. Williams:** That wasn't a statement on the part of the government. That was a personal observation based on recent newspaper articles about the overtaking of the Malton Airport facilities. My concern was whether or not the federal government is now intending to speed up its survey or study of the need for the site, or otherwise.

[2:45]

**Mr. Hall:** I don't know what the federal government studies have been, but I think the Conservative government's answer last year was quite clear at the time. It seems to me it always takes two to play catch, so it's pretty hard to have a dialogue going in the position that was taken. However—

**Hon. Mr. Rhodes:** No "however"—hold on. You fellows are playing catch and I want to step in and see if I can hit that ball you are throwing, which quite frankly isn't travelling that fast. I could probably hit it. First of all, Mr. Hall, I think you are both correct.

**Mr. Cassidy:** Have you been watching baseball movies?

**Hon. Mr. Rhodes:** No, I wasn't. Were you watching baseball movies? You've been putting us on, telling us you are working all the time. You are watching baseball instead.

You are both correct. Mr. Hall, you are correct when you say that we did, in fact, say to the federal government last year that we would not put the sort of money that was required into the servicing for that airport. Mr. Williams is right that there has been a renewed interest in the future of the airport. An agreement has been made between this

government and the federal government that there will be a two-year study of the transportation needs. It's an all-modes study that is going on, carried out by the federal-provincial body that is already in place, called FP-CORT. That's the name of the thing; whatever it all stands for I don't know—it is one of those crazy cases of letters they put together to make a word. They are going to go ahead and study that. So you are both right that yes, indeed it was stopped.

When you talk about servicing, I was referring to what services might be required to serve the North Pickering community that Mr. Godfrey had referred to earlier, such as what highway facilities and what other hard services, sewer lines etc, would be required. So you are both right.

**Mr. Kerrio:** Better than that, all three of them are right.

**Mr. Hall:** That's unanimity. However, the North Pickering concept, or this development of your ministry, as I understand it, really related in large measure to the original airport concept. Is this true?

**Hon. Mr. Rhodes:** No, the Cedarwood community, which it was known as at the time, was actually being prepared and had been conceived, as I understand it, prior to the decision to locate the airport in that area.

**Mr. Hall:** Well, on page 43 of the Durham subregion strategy it says, with regard to North Pickering community:

The provincial government decided to build the new community of North Pickering in conjunction with the second international airport in order to manage economic expansion and population growth more easily. It concluded that diverting a large proportion of the anticipated employment growth in airport-related service and manufacturing sectors into the Durham subregion would diversify the subregion's economic base.

The proposed population target was 200,000 people, a target also advocated by the COLUC task force, to be achieved well into the next century.

I don't want to read the whole thing, but it then concluded in this recent document that because of other considerations "the project team reduced the new community's design population from 200,000 to about 75,000." Is was only after that that the new airport has been postponed.

**Hon. Mr. Rhodes:** No, that is not correct.

**Mr. Hall:** Well, I am just reading here.



**Hon. Mr. Rhodes:** You've read it, but I don't think you read it as accurately as you might have.

**Mr. Hall:** I'll read the whole text then.

**Hon. Mr. Rhodes:** No, let me make these points to you: No. 1, there were two communities. Cedarwood and Brock were two communities that were to be developed in the area. They were going to be second-tier communities. They were conceived and were to be developed prior to the announcement as to the location of the airport. With the advent of the airport it was to be expected that there would be greater pressures for growth in all aspects if that was to go ahead, so those two projects were put together and it was enlarged into the one community. With the stopping of the work as far as the airport was concerned, and the uncertainty as to where the airport would be going, then the study team determined that it would be better to reduce the size of that community from 200,000, as was anticipated if the airport had gone ahead, back to 75,000 without the airport.

**Mr. Hall:** The text doesn't quite read that way, but if that's your explanation, that's fine, Mr. Minister. However, some of the earlier targets for population needs have now been found to be over-optimistic, I believe. I would have to wonder whether the realities we're going to be facing ahead, as opposed to the more optimistic estimates of the 1960s, are going to make the need for the North Pickering project somewhat questionable. A change in immigration or, in turn, an exit by Ontarians to western provinces, or something like that, certainly could have a dramatic effect on our housing needs.

I'm given to understand—Mr. Crosbie can correct me if I'm mistaken—that Mayor Cosgrove of Scarborough, at the meeting of the Board of Trade on Monday, said that about 23,000 serviced lots were available for development in Scarborough. That in itself sounds like an awful lot and it makes me wonder how the timing of all these things is going to take place if it could be conceived that immigration will slow down tremendously in this province.

**Hon. Mr. Rhodes:** I just want to comment on that by saying that the mayor is probably quite correct that 23,000 serviced lots are available, but basically they've been developing about 6,000 lots per year. Whether that can be speeded up to any greater degree remains to be seen, but that has been the general trend.

The statistics, as we have seen them, would indicate that around 70,000 people annually—perhaps up to 75,000—are trying to move into this area. Let's take into consideration the point you've made, that we may see a drop in the immigration rate, and let's allow for people who may be leaving the Province of Ontario to go to other parts. Even then, there will still be a very substantial number of people, even from within Ontario and from other parts of Canada, who will be coming towards this metropolitan area. That certainly has been going on, as you are well aware, for many years. Let's say the number of people coming here dropped off to 40,000 a year; how are we going to assimilate them, if we want to see this city continue to grow and grow, as it has, without providing some alternative location for them, such as a new town like North Pickering?

**Mr. Hall:** As Mr. Godfrey said, I wouldn't want to be accused of wanting to see the city grow and grow. It's not my own point of view.

**Hon. Mr. Rhodes:** No, I know you don't.

**Mr. Hall:** I'm saying, in effect, that several events have occurred since the concept was initiated, all of which in my judgement seem to represent a declining number situation there. I would hope you have a built-in system of reducing the input and having a staging circumstance so that the money is not wasted there, because I can assure you the money is needed for hard and soft services and for planning in other areas.

Recommendation 11.34 of Mr. McKeough's special programme review said:

All existing major land holdings of the province that are not required for development in the near future be re-examined to see whether or not all or part of these holdings can be sold to reduce present carrying charges and increase provincial revenues.

I am not privy to the sort of material they used to come up with this recommendation, but it certainly sounds as though it would cover major land purchases to the tune of \$201 million. I'm wondering whether they were referring to that. Do you know, Mr. Minister?

**Hon. Mr. Rhodes:** I don't know what information they used. I was not a part of that committee and I'm only privy to the same report as you are. I would assume that they would be referring to all lands held by the government—held in government owner-



ship—which are not being used immediately and which could be put on the market for sale. The only questions I have to ask are to whom and for what.

**Mr. Hall:** I appreciate that that's a problem. This is always one of the dangers of a new town—if that new town doesn't proceed, it's a really bigger danger when you're creating something like that than it is when you're expanding around an established community. The market is not as good when you pull out all the infrastructure and find you can't finance connecting links and so on and so forth. It's a bigger gamble and therefore it may be more difficult; when you say for what and to whom, I agree with you.

But they did make the suggestion and I'm wondering whether it applied to North Pickering?

**Hon. Mr. Rhodes:** I'm sure it would apply. From that particular report and from Mr. Henderson's and the committee's comment, I think they were applying it to all lands held by the government.

**Mr. Hall:** One other small point. It has to do with the question asked in the House last week about the report of the Ombudsman on land acquisition practices. In your answer you didn't make specific remarks with regard to committing yourself to releasing the report; however, since I believe Mr. Moffatt of the New Democratic Party was one of the applicants—

**Hon. Mr. Rhodes:** Mr. Godfrey.

**Mr. Hall:** Was it Mr. Godfrey? Sorry—and he would be receiving it. I'd appreciate it if you would also provide me and the Liberal caucus with information on this subject.

**Hon. Mr. Rhodes:** Perhaps I should explain my position on this—I thought I had in my answer but perhaps not clearly enough.

Any report issued on that particular matter will be issued by the Ombudsman and all of those persons who are complainants who have approached the Ombudsman for consideration are entitled to and will receive a copy, to the best of my knowledge. A copy will be presented to me as my ministry is the one which has been involved with the matter of land acquisition.

The question of whether or not it's made public is really not a decision for me to make because my understanding is that once the Ombudsman has made his report to me and a reasonable period of time is given for

response to his report, the reports are made available to the complainants. There is no requirement of confidentiality on any of us at that time. There would be nothing at all to prevent a copy of that report being made available to you or to anyone else.

**Mr. Hall:** I'd sincerely appreciate it. I might even ask, through the minister, that Mr. Cassidy might brown paper bag it to me if we don't get it any other way.

**Hon. Mr. Rhodes:** I'm sorry?

**Mr. Hall:** Through the chairman, I was wondering if Mr. Cassidy might brown paper bag it to me if we don't get it any other way.

**Mr. Makarchuk:** It's not a brown paper bag. It should be envelope.

**Mr. Hall:** Envelope.

**Mr. Makarchuk:** The minister gets his in brown paper bags.

**Mr. Cassidy:** The volume is so great it is in bags now.

**Hon. Mr. Rhodes:** I get my material in brown paper bags. The member for Brantford gets his in a brown paper envelope. Almost everything he gets in the mail is in a brown paper wrapper.

**Mr. Hall:** The numbers I've heard so far relative to the costs are \$201 million for land acquisition, including interest to Jan. 1; and \$2.1 million for planning. What other items are there which would make up a total cost for the North Pickering project to the approximate date?

**Mr. Forster:** There are other costs of staff of previous years.

**Mr. Hall:** You don't have it in a total form? Don't you capitalize these costs in a sense? [3:00]

**Mr. Forster:** No, they are not at this time. They may be later on.

**Mr. Hall:** Sooner or later you are going to sell this and you are going to sell it on market or costs accrued; I was wondering what the accrual was to date?

**Hon. Mr. Rhodes:** The North Pickering Development Corp. will be responsible for the development programme which takes place there. The land, as such, is held by the Ontario Land Corp. which is a branch or agency of the Treasury. When the corporation comes into its own and becomes the



operating agency for the land, it will carry the whole system. Until now, it has been handled by this ministry as far as the land acquisition and the planning is concerned in part, and the other part is within the Treasurer's budget.

**Mr. Hall:** Yes but you must have some idea of what your total administration has been.

**Hon. Mr. Rhodes:** We would have to get the figures back to 1972 and put them all together for you and make them available to you.

**Mr. Hall:** Would they reflect the total administration costs and other expenses including planning, interest, land acquisition? Would they end up as an asset on the books of the Province of Ontario and in the Treasurer's statements? All those things would be taken into account, wouldn't they? They wouldn't be put down to expenses?

**Hon. Mr. Rhodes:** We would have to put all those figures together for you and bring them to you.

**Mr. Hall:** I just want to have a total feeling for it, that's all. There's no ulterior motive.

On page 116 of the detailed estimates provided on the North Pickering project—this question has been asked but I have a question of my own—under services, you have \$2,567,000 for this current budget, down from \$3,513,400 last year. What constitutes services?

**Mr. Forster:** Those are primarily consultants and those are there for more detailed planning for the first stages.

**Mr. Hall:** By no interpretation are they for hard services. Would it be fair to call them soft services?

**Mr. Forster:** No, not really soft in the sense you are thinking of. This is a government term for services purchased.

**Mr. Hall:** In this sense it is used for that but it can be used in another sense for another thing. The words consulting services could have been substituted there. This is for outside services hired, is it?

**Hon. Mr. Rhodes:** Is it not on page 119 in the blue book we gave you?

**Mr. Hall:** How about black?

**Hon. Mr. Rhodes:** Page 119 in your book should say services a total of \$2,567,000.

**Mr. Hall:** Yes, that's fine. The consulting services then are \$1,034,000; data processing, printing and copy machine rental and property maintenance and rehabilitation. Your outside consulting services are \$1,034,000. That's fine.

Not having participated in the early part of it, and not knowing what points Mr. Godfrey covered, I will have to assume that he was pretty thorough about it since it is his ballpark.

**Mr. Cassidy:** Can I ask one question which Mr. Godfrey asked and was not properly replied to? How do you account for the \$300,000 for duplicating and photocopying and services like that?

**Hon. Mr. Rhodes:** I think he was looking for a breakdown of that.

**Mr. Cassidy:** Yes, that is right.

**Hon. Mr. Rhodes:** A breakdown of the printing and copy machine rental and the other services. For equipment rental and maintenance, which is typewriters, calculators etc., \$6,500; temporary employees and finance surveying \$30,000; duplicating and printing—that's the copy machine and report printing—\$50,000; board of directors' fees, \$25,000; advertising for recruitment and for tendering, \$5,000; building rental, maintenance and cleaning, \$105,000; security services, \$30,000; legal fees, \$43,500 and conference staff training and membership, \$10,000.

**Mr. Hall:** That is the breakdown of the \$305,000?

**Hon. Mr. Rhodes:** Yes.

**Mr. Hall:** Your job description isn't very accurate. Printing, copy machine rental and other services are listed as \$305,000. When you hear the breakdown, it is quite a bit different from what the sub-title sounds like.

**Hon. Mr. Rhodes:** That is probably why Mr. Godfrey asked the question.

**Mr. Hall:** I suspect so.

**Mr. Makarchuk:** I have just one question before this vote carries. You have \$200 million tied up or something thereabouts in the Pickering site, how much have you got tied up in the Cayuga site? I just want to have a combined figure. You and Mayor Drapeau should get together on the spending you guys are doing.

**Hon. Mr. Rhodes:** I don't have that figure.

**Mr. Makarchuk:** You must have some idea of what you have spent on the Cayuga site.



**Hon. Mr. Rhodes:** No, it really had nothing to do with us. Again, that's the Ontario Land Corp. that has that. That land is not in this ministry's estimates or ownership.

**Mr. Makarchuk:** Okay, we will ask the Treasurer and he will probably say that you have got the figures.

**Hon. Mr. Rhodes:** If he does, he is telling you a fib.

**Mr. Hall:** Is that system the centralized control, decentralized blame approach?

Vote 2002 agreed to.

On vote 2003:

**Mr. Chairman:** Item 1.

**Mr. Cassidy:** Mr. Chairman, in response to your comments earlier, on behalf of the NDP, I would like to try to get this vote on the housing action programme through by Friday when we close off for the week, if not before. I will therefore keep my comments brief.

I think a lot of comments on housing action in the philosophical sense have been raised during the course of the first debate. I want to talk a bit about housing development, particularly about OHC, next week and I would be willing to try to co-operate to see that the entire estimates could be concluded by a week Friday. Perhaps if other members of the committee were willing, we could consider putting an extra session or two in next week in order to be able to conclude next week. I had in mind either Wednesday morning, if the minister is prepared to miss the sanctity of his cabinet meeting, or if the House sits on Wednesday evening next week, though I don't believe it is going to, then maybe on Wednesday evening or maybe throughout on the Thursday.

**Mr. Makarchuk:** It doesn't sit Monday evenings.

**Mr. Cassidy:** We are missing a Monday sitting and therefore it seems to me, that gives some rationale for scheduling an extra sitting in the evening to finish the whole thing.

**Hon. Mr. Rhodes:** Mr. Chairman, I am not willing to go along with that, quite frankly. There are the three days available to us and I understand any days we have missed will be added on. Any days we have missed on the Monday will be added on to the number of days available. I understand that arrangement has been made by the House leaders and I see no need for us to start

asking for extra days. We have been here and the thing is dragging along. I admit all of us share in the responsibility, but I am prepared to move along as quickly as you want to move along.

**Mr. Cassidy:** We will still try to finish by a week Friday, but if not and if I am not here the following week, there are others who will carry this on.

**Hon. Mr. Rhodes:** I know you are dispensable.

**Mr. Williams:** It might be helpful, while Mr. Cassidy has his time parameters laid out to his satisfaction, to clarify whether or not we have been getting equal time for the three parties participating in the discussion. Certainly we have a lot of items we ourselves would like to speak about, even though we are government members. There are a number of things we should get involved in. I think that the members of the committee from the government party have equal concern about the estimates. It seems to me that perhaps there hasn't been enough consideration given to the third party members and the government members as far as the allotment of time for speaking on some of these matters. I think that if there's any inequity there, perhaps we should have a clock running the time so that we're assured of getting equal time. Because there are a lot of issues I'd like to be talking about and I don't like to be called up short every time I go to speak for saying that we've been spending too much time on it.

I think in fairness, Mr. Chairman, it certainly hasn't been the government members that have been hogging the time. I think this should be taken into serious consideration. I don't want to put on any restraints or suggest any restraints be put on the opposition members, but I do insist that we be given equal time. If they want to talk six hours on one minister's budget, then I think the other two parties should be given that equal amount of time to respond. There's no way that I think we should accommodate our time, so that when they've finished with what they have to say, that we should be moving on to other things. Because I think there are still other matters that the other members want to speak on; and so I don't think we should be looking at it from the point of view of one group of party members.

I want to leave that with you. I think it's important to consider that when we're dealing with the Housing estimates, or any of the other estimates we're going on to. So, while Mr. Cassidy may want to try to wrap



it up on Friday, I'm not satisfied whether that means that we won't be talking on this for another week or two.

**Mr. Chairman:** Are there any other remarks before we start?

**Mr. Kerrio:** Yes, I'd like to make one remark. I think there's a good deal of difference between opposition parties, because I think many of the answers come from the ministry and we're very happy with them; and that we just go over the same ground in many instances with the party in power.

**Mr. Hall:** Yes, I'm inclined to feel that certainly Mr. Williams has every right as a member to make a comment. However, I'm beginning to decry what is going on in the question period in the Legislature, where the opposition, whose responsibility is to question and oppose, is being denigrated frequently by the questions of members in their own party and long dissertations by ministers. I hope that this practice doesn't continue too much in committee, because, with all due respect, this is the only opportunity that the opposition parties have to question. We don't have the accessibility and research of the government side.

**Mr. Chairman:** Okay, are we ready to roll?

**Mr. Williams:** We only demand equal time, Mr. Chairman.

**Mr. Chairman:** Mr. Cassidy, I think you start.

**Mr. Cassidy:** Maybe Mr. Williams forgets, but it was a few days ago in this sitting, when the chairman tried to stop Mr. Williams from speaking, that I in fact leapt to his defence and—

**Mr. Williams:** That was a rare moment that I noted.

**Mr. Cassidy:** Okay, I'm glad you noted it.

**Mr. Chairman:** We are at item 1, vote 2003. Mr. Cassidy.

**Mr. Cunningham:** Mr. Chairman, just another comment on that. What I'd like to add to this discussion at this time, and it might be appropriate, is just a reminder that we have a number of other ministries that fall under this sector. I don't think we're going to be able to afford ourselves the possibility to go into those ministries in the depth that we are going into housing right now, if we continue at this rate.

I don't think there's an individual in the House who would like to see us in the posi-

tion where we're going to pass over one ministry in a period of several hours, because we have spent two or three weeks, or more, on the issue of housing.

I know we all have a sincere concern about housing. I hope that nobody would tend to think that because we don't speak on a particular area in a particular vote that we necessarily endorse the policy; that may or may not be the case. I think our position is to inquire where some legitimate inquiry is necessary; but, at the same time, weigh our responsibility so that we can have some time left over, I hope, to look at these other ministries that are coming up. From my point of view, and I mean this in a non-partisan fashion, Mr. Chairman, I think that we've gone into considerable detail on a number of these votes and we've wasted a lot of people's time.

**Mr. Chairman:** A point well taken, Mr. Cunningham.

[3:15]

**Hon. Mr. Rhodes:** I want to make one point, too, from that comment made by Mr. Hall. It is this: I am quite prepared and quite happy to sit here and to answer the questions to the best of my ability. What I'm not able to answer I'm willing to admit and ask my staff to answer. We'll be as brief and concise as we can, on the condition that, if we are here to ask questions about the estimates, we in fact ask questions about the estimates.

But I tell you, and I tell you without any hesitation, I will not sit here and allow the record to show a philosophical speech go on the record, or a bombastic broadside at the government's policies, and leave it on the record without any response. I assure you I will enter into those debates with a great deal of interest and enjoy all the time we spend on it.

I will go right along with the questions, and answer them nice, nice if they are questions; speeches I respond to with a speech.

**Mr. Cassidy:** Mr. Chairman, I think the minister is acting like a politician.

**Hon. Mr. Rhodes:** I tried hard to be a human being and you have converted me.

**Mr. Chairman:** Now that we have laid the ground rules—

**Mr. Makarchuk:** Mr. Chairman, we also have to realize here that the minister is in charge of the department and we are here to ask questions and elicit information from



the minister. The minister replies, not Mr. Williams. That's the problem that has been developing, that somebody would raise a matter then Mr. Williams proceeds to defend the government policy. I sometimes wonder whether he is bucking for your job or whatever it is that is going on. Consequently what you have is a form of filibustering going on here, which eats up the time, and doesn't shed any kind of light on what we are trying to discuss. I think that's what we have to consider.

**Mr. Chairman:** Okay, I think we have discussed it enough. Order please. We have discussed this on several occasions.

**Mr. Williams:** Mr. Chairman, I can't let that go by. I assure you it is in all good faith that I question the minister on some of his statements, because I am not prepared to accept absolutely everything he says, regardless of the fact that I am a member of the government party. To suggest that I am simply mouthing what the minister is saying is the furthest thing from the truth. I am here to ask questions like you gentlemen and ladies are.

**Mr. Makarchuk:** With friends like you he doesn't need enemies.

**Mr. Williams:** That's quite true, he has told me that several times, but I still intend to question him as I see fit. So I want that for the record, Mr. Chairman.

**Mr. Chairman:** Mr. Cassidy.

**Mr. Cassidy:** Mr. Chairman, I want to comment on OHAP now, and I will refrain from any further digressions into this debate that we have been having. We have said all along, since the Ontario Housing Action Programme was started, that the government is dicing with figures, as it always has been in housing targets in the past, that it has consistently over-estimated and exaggerated what it was intending to produce, and in the main that it was under-performing.

Maybe the minister will recall the original promises made by Mr. Davis that 30,000 or 40,000 housing units would be in place within a year or so, in addition to what would normally have come about as a result of the Housing Action Programme. In fact, from the moment the Housing Action Programme was announced, housing starts started to slump, and they have only started to turn around in the last two or three months.

I don't want to get into a numbers game right now, though, as much as I want to look

at the questions of affordability and how they are affected by OHAP. As I understand it, OHAP is the major response of the ministry to try and ensure housing for people who can't get by in the private market on their own. The initiatives of OHAP have included the mortgage interest subsidy, and they have included the designation of a certain number of the units built under OHAP to people in certain income ranges. Somewhere in the explanations here it says that one of the purposes of OHAP is to work with municipalities and everybody else, the industry and so on, for the provision of increased ownership of housing for low as well as moderate income groups.

I am concerned, Mr. Minister, that in fact your commitment to the low income groups is not being matched in any way in practice, and that in practice the OHAP units are more and more going to people in very high income categories.

I was told over the phone the other day—and I think the minister can explain and amplify on this—that the income limit for the moderate income group which the ministry is now talking about with OHAP, has been raised to about \$22,200, and that it is the intention of the ministry to continue to let that upper limit float; the argument being that this takes in about the middle third of the family income range.

In the first place, it doesn't at all take in the middle third of the first time home buyer range, and these are the people for whom the OHAP programme is mainly directed. Your spread of incomes is clearly influenced by the number of families where there are two incomes, a home in the family, equity, some dividend income, some other kinds of things like that. I would like to know if the minister can give us a profile of family incomes among people who are presumably tenants because they are the people who are looking for housing and are having such a desperate time surviving in the market.

Second, the question arises about the targets under OHAP this year. The figures I can read from here indicate that your targets are up around 30,000 to 35,000 lots and/or starts under the Housing Action Programme. In view of the progress over the past couple of years, that seems unrealistically high.

Third, I would like some elucidation about the number of people who received support under the mortgage interest subsidy announced on July 7, 1975, and concluded at the end of March. The figures I have from the ministry indicate that there were 4,200



starts with that mortgage interest subsidy and that the subsidy is going to amount to about \$2,000 for each family which has benefited. That means people in the \$18,000 to \$20,000 range are getting a subsidy on their housing—if the figures are accurate—which is rather greater than the subsidy given to low income people in Ontario Housing.

Fourth, I have to say I'm very concerned about the fact that the OHAP commitment to people in the HOME income ranges—under \$19,000—has apparently terminated. The minister might want to comment on the statements made and the notes here that no HOME funding under OHAP is projected for 1976.

Specifically, it says here that the agreements with the developers ensure that 10 per cent of completed units in an OHAP project will be provided for the ministry for the HOME programme when financing is available. It goes on to say, "No HOME funding will be available under OHAP agreements for fiscal 1976."

There is a natural tendency for developers to take the cream of any programme which the government provides. If the upper income limit is \$22,000 there is a very natural tendency for the developers to provide housing only for people in the income range of \$19,000, \$20,000, \$21,000.

The minister's own figures indicate that at least half the families, far more than half the tenants and far more even than that of the non-family units in the province have annual incomes which are well under \$19,000 a year. These are the people who are the real needy people in terms of ownership assistance but there is going to be no HOME; there is going to be nothing else done for them. In effect, they are simply locked out of the ownership market in large urban municipalities. That's significant, too, in view of the statements the minister made in his opening remarks three or four weeks ago.

**Hon. Mr. Rhodes:** Mr. Cassidy, would you tell what you are reporting from, before you go on?

**Mr. Cassidy:** Yes, the quote about HOME, which I have just discovered and I'm quite surprised at, Mr. Minister, was on page 65 of the notes we were given by the ministry.

The minister said in his opening remarks, "The social necessity of providing housing assistance to low and moderate income groups is now taken for granted." He also said that the very heavy demand for the HOME programme indicates that most families in this income group who are entering the housing

market for the first time cannot afford to buy housing in the private market.

If OHAP is withdrawing from HOME, in which it was only marginally involved in the first place, and if the HOME effort, which we will discuss later, is limited and if the supply of rental accommodation coming on to the market is inadequate, as I think we both agree, what the devil are these families earning less than \$19,000 going to do? In particular what is going to happen when well over half the people who haven't got houses right now are going to have annual family incomes of well under \$19,000? If they do earn \$19,000 or more, it is because both spouses work and they are making inadequate arrangements for child-rearing if they have young kids.

**Hon. Mr. Rhodes:** I am wondering, Mr. Cassidy, if you would allow me to respond to one part of your comments?

**Mr. Cassidy:** Yes, okay.

**Hon. Mr. Rhodes:** You are going to go on, I'm sure.

**Mr. Cassidy:** No, I have about two minutes more then I want to quit. These are in the form of questions and I mean what I say—I do want to try to get OHAP through. We can come back to it next year and have a really good go at it.

There are comments made in these notes that one of the things the ministry has apparently managed to do is to reconcile what it calls the apparent conflicts between the Central Ontario Lakeshore Urban Complex allocations and what are called OHAP production possibilities. I wish the minister would talk about that.

The figures that we have, both from the ministry's annual report and from other material that is available to us, is that almost everything that OHAP is achieving is being achieved in the region of Peel, to the west of Metro Toronto. You're rapidly filling up places like Brampton, where I'm going tonight, and Mississauga, and anticipating the population allocations for that area, whereas you're doing sweet Fanny Adams in the eastern part of the central Lakeshore complex, let alone in the eastern parts of the province. It doesn't seem that your planning for OHAP has any relevance at all to the efforts of regional planning in the province as a whole to move growth to the east.

There is also a very disturbing suggestion that the Ministry of Housing is putting pressure on the Minister of Agriculture and Food, and it has got that ministry now to examine



"possible residential use of land presently in class 1 and class 2 soil capability." The Minister of Agriculture and Food is so adamant about the great things that are happening with farm land, that I wish this minister could explain exactly what his ministry is doing and why it is putting this emphasis on using class 1 and class 2 farm land for housing.

Finally, after everything Charles Godfrey had to say about North Pickering, I note that under OHAP you are making a grant of \$220,000 to Newcastle for 3,000 acres of developable land that will ultimately house 80,000 people. That suggests a situation of provincial affluence and municipal squalor in terms of the resources being made available to Newcastle for its planning for a community which ultimately will have a greater population than the projected area in North Pickering.

Those are the comments I wanted to make, Mr. Chairman, and if the minister has made notes I'll listen with interest to his replies. I'll come back to the points that he may not have picked up the first time.

**Hon. Mr. Rhodes:** I think the first one I want to comment on, Mr. Cassidy, is your statement that we do not have the funding for 1976 under OHAP for HOME specifically. We have altered our agreements with the developers and with the municipalities; what we are doing now, rather than specifically stating a particular HOME project, is writing certain requirements into the agreement, the first being that it must be a HOME type of unit.

A minimum of 10 per cent of such residential units must be provided for persons having a reasonable distribution of family incomes not exceeding the maximum income for the second quintile as projected for the year in which the particular group unit is sold. In the year ended March 31, 1977, the maximum income for the second quintile shall be \$17,200.

We're saying, therefore, that 10 per cent of these homes must be for those persons with a maximum income of \$17,200. Although we are not specifically saying it must be a HOME project—the only difference is that we are perhaps not involved in the home financing aspect of it—the requirement to build the homes for that income group is still there.

**Mr. Cassidy:** Ten per cent is still pretty low when you consider that there is no other game in town for that 40 per cent of the market.

**Hon. Mr. Rhodes:** There is also a requirement, of course, that 30 per cent of such units must be for persons whose maximum income is in the third quintile of \$21,700.

**Mr. Cassidy:** Which means, of course, that 60 per cent of the housing built can be directed to people earning \$22,000 and above, and you'll still go along with it. Is that right?

**Hon. Mr. Rhodes:** Yes, that's correct under these agreements.

**Mr. Cassidy:** The guys who had this job before you—Irvine, Handleman and people like that—were free-enterprise buccaneers. You being a more sensitive kind of fellow, I just wonder whether you couldn't look very seriously at the requirements under OHAP. You're pumping \$33 million into servicing schemes, presumably to accelerate the provision of lots under the OHAP scheme, and yet in the end you are going to wind up with really unbalanced communities, where 40 per cent of the housing is going to be housing costing \$50,000 or more and directed to people earning \$22,000 a year or more. In terms of policy, don't you find that a bit perverse?

[3:30]

**Hon. Mr. Rhodes:** Not really. There is still a good percentage of people in that particular bracket who are looking for homes to buy. I think your own figures which you have used and which I heard quoted last night indicated the average income is around \$19,500.

**Mr. Cassidy:** I was drawing that from your figures.

**Hon. Mr. Rhodes:** Right. We're not that far above the average for that area. There are a great many people in that area who are looking to buy homes. The development has to be an economically viable one for a developer to go in and put up those particular homes. I'm sure you would agree that if we go into the town to build 100 per cent of the homes in the \$17,200 bracket, we would probably have very few agreements and we would probably get very few homes built, for that particular area, with costs as they are.

**Mr. Cassidy:** Frankly, I think you're just knuckling under on this. For one thing, in many cases if people happen to have a substantial income it's because there are two income earners. I talked with a teacher the other night. He and his wife are both working; she's a teacher as well. They have been



in the trade for several years and they have a joint income of over \$30,000. They're in a nice condominium townhouse. They have no kids at this point but it's costing them upwards of \$500 a month.

That couple, however, would like, at some point, to be able to have one spouse take some time out and have some kids. When they do it, they go from having a comfortable income which allows trips to Mexico or Cuba in the wintertime to a position of being absolutely strapped and paying maybe 40 per cent of their take-home pay in order to provide for this housing which they've got themselves locked into.

It would, therefore, appear to be advantageous that some of the stuff which is built, even if it goes to higher income groups—these are the people who want it—is accessible to or affordable by, by the standards you use, people in more moderate income ranges.

Can you answer the question I asked? What are the family income ranges of people who do not now own housing?

**Hon. Mr. Rhodes:** I don't believe we have those figures.

**Mr. Cassidy:** Would you not agree that's what you should be looking at when you think of quintiles and that kind of thing since, because of the substantial inflation in housing prices, anybody who happens to be a homeowner now is probably able to move into another house without needing the same kind of assistance people who are not owners at present need?

**Hon. Mr. Rhodes:** I don't know how easy those figures might be to come by because there are an awful lot of people making very large salaries who are not homeowners. I'm always afraid of those average figures people throw out because I think they're distorted.

You get one fellow who happens to be the president of some large corporation and who decides that he and his family are going to live in a very nice apartment. If he's making \$100,000 a year it sure throws out the average income. I'm a little concerned about using that type of average figure when you say, "This is the average income of a person who does not own his own home." It could be quite high; maybe higher than is really accurate. In some communities it may be lower than is really accurate.

**Mr. Cassidy:** You could argue the same bias will occur. Obviously all the high income earners are included when you give an average family income of \$19,500 because that includes owners and tenants.

**Hon. Mr. Rhodes:** Sure. Frankly, as I say, I'm not a great fan of statistics. As I have told you many times, I don't believe in throwing numbers around because I'm not a great believer in them. As I've said before figures don't lie but liars can figure.

**Mr. Cassidy:** But your programme is being based on statistics. You're saying that at least 10 per cent of the houses under the new OHAP agreements have to be directed to people earning less than \$17,200 because those are the bottom two quintiles. You're using statistics.

What I'm saying is, in order to be realistic, we should know—and Mr. Burkus in your ministry should spend some time finding out—what are the income splits among people who are potential home buyers but can't get into the market right now. The best way to do it is probably to look at the non-owners, look at family incomes there, see what they amount to and then we will have a better picture.

As you say, there will be some people who are very rich and who, by choice, are tenants. On the other hand, you're going to have a very substantial number of people earning less than \$17,200 who are not owners because they simply can't afford to be owners. They are condemned to be tenants for the rest of their lives because they simply can't get in.

It's my hunch, I'm open to be disproved, that the average income of tenants is going to be a lot lower than the average income of the population as a whole or the average income of people who own their own homes. That is certainly substantiated by the income tax data and other information we've had out of Ottawa.

**Hon. Mr. Rhodes:** We don't have those figures. I guess all I can tell you is if we can sort them out of the maze that is available then we should do so.

**Mr. Cassidy:** In the interests of more constructive debate, would you be prepared to agree to get that information and maybe to get it to us within two or three months?

**Hon. Mr. Rhodes:** I'll make an effort to get it.

**Mr. Cassidy:** Thank you. I had two or three other questions. On the mortgage interest subsidy, the figures here indicate 4,200 units and a subsidy during fiscal 1976 of \$8.8 million or something over \$2,000 in subsidy per unit. I think those figures are crackers.



**Mr. Strachan:** Of the \$8.8 million in subsidy, \$6.8 million is to do with the interest subsidy programme and \$2 million is for those agreements that we have which have financial commitments for interest subsidy contained within them. In fact, the subsidy per unit is an average of \$2,500.

**Mr. Cassidy:** The subsidy per unit?

**Mr. Strachan:** Per unit, it works out to about \$2,500.

**Mr. Cassidy:** To \$2,500 per annum per unit?

**Mr. Strachan:** No, the total subsidy.

**Mr. Cassidy:** Can you explain how that works then please?

**Mr. Strachan:** I would like to.

**Mr. Cassidy:** For how many years is the interest rate subsidized down to 10.25 per cent?

**Mr. Strachan:** For five years.

**Mr. Cassidy:** Are you then saying that for each unit you are capitalizing the entire five-year subsidy in these estimates?

**Mr. Strachan:** The subsidy is paid to the lender at the time that the purchaser moves in and it is calculated for the five-year period.

**Mr. Cassidy:** In other words, the day that the mortgage is signed you give them a cheque for \$2,500, and that is to cover the subsidy over the five years?

**Mr. Strachan:** That's right.

**Mr. Cassidy:** That makes that a bit clearer. What are the income ranges of people who benefit from this mortgage subsidy and what kinds of units do they buy?

**Mr. Strachan:** The interest subsidy programme provided for 10 per cent of the units to be made available to the HOME programme and a minimum of 30 per cent to the moderate income group, which was described in the interest subsidy agreement as being between \$14,500 and \$20,000. In fact under the interest subsidy agreement under that programme for the 4,200 units, practically all of the agreements provided 90 per cent of the units in that moderate income group. You had 10 per cent going into the HOME group and 90 per cent going into the moderate income group.

**Mr. Cassidy:** What kind of units were being provided? Were they three-bedroom

town houses or were they semis or were they highrises or what?

**Mr. Strachan:** In the main, they were town houses. There were some apartments but, in the main, they were town houses.

**Mr. Cassidy:** Can the minister say what effect this federal assisted home ownership programme is having in terms of his ministry's policies?

**Hon. Mr. Rhodes:** The newly announced programme?

**Mr. Cassidy:** Yes.

**Hon. Mr. Rhodes:** For one thing, people can have a choice as to which way they want to go in this particular thing. We are looking to that eight per cent money that is being made available by the federal government as it looks a lot more desirable than our 10.25 obviously. We are involving OHAP with the municipalities and are prepared to piggy-back our OHAP on the federal programme as it relates to passing money on to the municipalities which build these particular units within the terms of the federal requirements.

**Mr. Cassidy:** Are you also piggy-backing the \$1,000 federal grants for medium density housing with this \$500 or \$600 that you're prepared to pay under OHAP?

**Hon. Mr. Rhodes:** Yes, that's what I was saying.

**Mr. Cassidy:** You are prepared for that as well.

**Hon. Mr. Rhodes:** When we extended OHAP for this year, it was that intention that we would piggy-back our grants to the municipalities with the feds.

**Mr. Cassidy:** But you discreetly got out of the mortgage subsidy business.

**Hon. Mr. Rhodes:** We got out of it because we felt what was the point of being in it in that any rational person who is going to get money at eight per cent isn't going to come to us for 10.25. That was our thought on the whole thing.

**Mr. Cassidy:** Another question: The apparent contradiction, so-called, between COLUC and OHAP allocations. Can you explain what that means?

**Mr. Strachan:** OHAP really agrees substantially with COLUC. The main difference between COLUC and OHAP is in the timing of the development. COLUC concepts—



**Mr. Cassidy:** That is the major contradiction, isn't it?

**Mr. Strachan:** COLUC concepts are based on the assumption that the staging and rate of development should be carried out very rigidly. The OHAP position is that there should be sufficient flexibility; the competition to occur between different liabilities.

**Mr. Cassidy:** I guess the point is that what I can see looking down the pipe a few years, is that the COLUC allocations for the area of west of Metro will be filled up to the brim, and then there will be tremendous pressure to keep on building in those areas which are attractive for different reasons. In the meantime, the growth towards the COLUC allocations east of Yonge St. and particularly east of Metro, will consistently fall way, way short. As a consequence, you will continue this concentration of growth in the area of Metro and west of Metro.

**Hon. Mr. Rhodes:** I think you would agree, Mr. Cassidy, the major problem we have in this area is the balance of available servicing. There's a question of getting the servicing into the east. The big pipe that had gone to the west some time back obviously has attracted the development. And that will continue, I suppose, until that capacity is used up, or near to being used up. What we have to have is the necessary servicing—the big pipe to the east, if you will—so that development can get underway and get going. Without it, I think we're in some kind of difficulty to get those units built.

**Mr. Cassidy:** There are a few of us who also believe that the east goes further than Oshawa-Whitby.

**Hon. Mr. Rhodes:** I am one who completely agrees with you. I feel that the north goes a lot further than Steeles Ave., too

**Mr. Cassidy:** You should get your government to do something about it, Mr. Minister.

**Hon. Mr. Rhodes:** I may be in the process of doing that.

**Mr. Cassidy:** What about the use of class 1 and class 2 farm land, which you are studying with the Minister of Agriculture?

**Hon. Mr. Rhodes:** What we are attempting to do is, we recognize that there's bound to be pressures around a number of municipalities—they are there now—who are looking for some growth in their area. And it happens to be in those communities where there is a tremendous amount of the class 1, class 2 and class 3 lands.

We've asked the Ministry of Agriculture to look at what their needs are—how much are we going to need for housing purposes over the next 20 or 35 years in this whole area of southern Ontario. We've not only worked with the Ministry of Agriculture, but we have also asked for and received a fair amount of input from the Ontario Association of Rural Municipalities. Mr. Meen and I both met with three of their executives yesterday to discuss just that sort of thing—what their attitudes were as people in the rural municipalities. And by that, I'm talking about the farmers, not necessarily the people living in the communities.

We really want to see what we can do; how we can continue to provide new housing in what are obviously growth areas, and yet use as little of the class 1, 2 and 3 as possible.

But I think we are saying to Agriculture and Food—at least I am saying to Agriculture and Food—that it is impossible for us to say at this stage that we are not going to build another house on what you and I would consider to be good agricultural land. I think that's impossible. I don't care, Mr. Cassidy, whether I'm the minister, you're the minister or Ms. Gigantes is the minister, no one is going to say that you are not going to build a house on good agricultural land at some time or another. We just simply want to make sure we are doing it, if it has to be done, in the right way, and as little as possible.

**Mr. Cassidy:** I think the fear we have is that while nobody can guarantee it, we can try. We have a fear that this government has not been concerned about the issue in the past; the government as a whole—I don't want to single out one minister—is not particularly concerned about it.

[3:45]

**Hon. Mr. Rhodes:** Let me say this to you, that sometimes I begin to wonder who is concerned about what, and I say that with the greatest of sincerity. I hear people telling me about preservation of agricultural land. Mr. Godfrey is one, and I believe he's sincere when he says this, and yet he's the same man who is prepared to say to me, "Lift the freeze off of certain areas of this province," which would, in fact, allow the creation of those 25-acre lots that you were very concerned about here the last time we talked about it. That's what we would create, 25-acre lots, and permit houses to be built on those lots, and you and I—at least you do, and I think I'm not too far off agreeing with you—agree that is not desirable.



On Jan. 14, 1976, in the Oshawa Times, there appeared an article where Mr. Lorne Almack, of Claremont, a farmer and managerial consultant, says the region is just too big and has developed too much. I quote, he said: "Is all this growth a good thing?"

On March 16, 1976, the Toronto Star reported:

An attempt to rezone 15 acres of farmland on the southeast edge of Claremont for future housing is under way. The land was separated from the farm of Lorne Almack six years ago for the construction of the Claremont bypass. Mr. Almack is a leading member of the anti-Pickering Airport group, "People or Planes," and said last night he wants the land rezoned to allow for future urban extension of Claremont, where about 300 people now live.

Farmers become developers just like that; and "People or Planes" people want aircraft. I really wonder who wants what, where and when. I get awfully confused when I listen to people tell me about the moral issues. It's when your ox is being gored you scream the loudest.

**Mr. Cassidy:** Yes. That's valid. I just want to say, in conclusion, that we remain concerned about the fact that the ministry's major programme, OHAP, is not being directed to the areas of greatest need. We're not talking about trying to get people into housing at \$5,000 or \$6,000 or \$7,000 per year. Ordinary working people with families cannot afford the accommodation which is going up under OHAP. If you look at the people who are tenants in the province right now, a large number of them are shut out of OHAP. You really mouth slogans on affordability but you're not coming up with action in order to match those slogans.

**Hon. Mr. Rhodes:** Mr. Cassidy, I don't like to mouth slogans. I firmly and sincerely believe that what I'm trying to do is to reach that goal, and I realize it's probably a goal that's not going to be attainable too easily. You know that too. I think the best way to do it, and it's the direction we're going in, and the best way to reach that goal—at least a long step in the direction of it—is to get land serviced so that we can have a lot of land on the market and there can be land available that people will have an opportunity to compete for and be able to buy lots at a reasonable price. When we can get the land component down, you know and I know, we're going to get the price of housing down.

The first ray of light I've seen in a long time is when I picked up the paper on the

weekend and I found out that they're saying the price of housing is coming down. I'm gratified. I hope it continues to come down. The only thing that bothers me a bit is, if it's coming down that much it must have been too damn high to begin with.

**Mr. Cassidy:** That's right.

**Hon. Mr. Rhodes:** Hopefully, maybe it is going to start to come down. If we can get some serviced land on the market and get the lots available, then we'll get it back again to where it was. I know when I bought my home, I wasn't making a heck of a lot of money, but I was still able to buy a lot and build a house on it.

**Mr. Cassidy:** With respect, wishful hoping that this is going to happen isn't enough. You may have temporary troughs in the price of land and so on, but unless you're prepared to act directly in the price of land, what you wish for will not essentially come to pass.

**Hon. Mr. Rhodes:** In an effort to be very non-partisan in the discussions, I find it difficult, because I recognize, and I'm sure you do too because you obviously have gathered the figures, you know what the increase in prices has been in other jurisdictions in this country in housing, what the percentage increases have been and what the prices are now in such provinces as Saskatchewan and Manitoba.

**Mr. Cassidy:** In Saskatchewan they are very reasonable. In BC, let's make it clear, 1½ per cent of the land area of the province is suitable for either agriculture or for urban development. It's all rocks out there. That's a heck of a lot different situation than we have here.

**Hon. Mr. Rhodes:** But prices are going up.

**Mr. Cassidy:** I'm saying that they have problems which are—

**Hon. Mr. Rhodes:** It's \$56,000 to \$60,000 up.

**Mr. Cassidy:** —which are enormously different from ours, because we have access to much more usable land.

**Hon. Mr. Rhodes:** Where?

**Mr. Cassidy:** —here in Ontario, than they have in BC.

**Hon. Mr. Rhodes:** You tell me I should not build on the usable land because it is good agricultural land. On the other hand you are busily telling me to experiment with Canwell



—which rather shakes me—because we can't afford to put the services in the rock and the muskeg. It's an interesting position I am in. I hope we do talk about it again next year.

**Mr. Cassidy:** Fine. You sit here and I will sit there.

**Hon. Mr. Rhodes:** That could prove awfully interesting.

**Mr. Lane:** Mike, you would have to be more consistent than you are now.

**Mr. Cassidy:** That concludes my comments, Mr. Chairman.

**Mr. Chairman:** Mr. Cassidy, are you prepared, at a later time, to vote on items 1 and 2 together?

**Mr. Cassidy:** I think so, yes.

**Mr. Chairman:** Okay. Mr. Hall, is it okay with you to vote on items 1 and 2 together?

**Mr. Hall:** Yes.

**Mr. Chairman:** I only have Mr. Hall on my list to speak next. Does anyone else wish to speak?

**Mr. Hall:** Mr. Cassidy has expressed the concern that we feel for the inadequacy of OHAP in reaching the right income levels. As a matter of guidance and assistance to us, Mr. Minister, I would appreciate it if you would give us some of the detailed information you were referring to about income categories—I assume you have it available there—and the markets you are trying to reach.

**Hon. Mr. Rhodes:** The sheet that I had here? Sure, we can make that available.

**Mr. Hall:** Regarding the areas without OHAP, I think you told me before that areas that did not have OHAP was partly because they had not requested OHAP. Is that right? Didn't you say that in a previous session on estimates? I mean, how does one get to qualify for OHAP? Is it a request of the municipality or is it a decision of your ministry?

**Hon. Mr. Rhodes:** I hope I didn't say that it was at the request of the municipality. I think what I would have said was that we would certainly consider other areas than were now designated but, in fact, we designate the OHAP areas.

**Mr. Hall:** I asked about the Niagara region, and I believe you told me at the time that they had not requested it. Whether that

was the complete answer or not, or whether you would have designated it if they had requested it—I guess that is my next question.

**Hon. Mr. Rhodes:** I may have said that they had not requested it, because they probably had not, but I think at the time we were talking about it I mentioned the fact that we had put OHAP into the Sarnia area, although it had not originally been designated as an OHAP area, because of the pressures that developed in the Sarnia area as a result of the industrial development taking place there. That's why we designated the Sarnia area as an OHAP area. But basically we designate OHAP ourselves, and whether or not a municipality would be designated would not simply depend upon their request; it would not be automatic.

**Mr. Hall:** The publication "Trends and Options", filed in the House in April, I guess it was, showed different key growth areas from those presently recognized as OHAP areas. I guess part of the problem is that that's a future look and you are having to live with a short-term programme. Is this the case?

**Hon. Mr. Rhodes:** Yes, in large part that is correct.

**Mr. Hall:** For my understanding, maybe you could just tell me what the demand is in Sault Ste. Marie. Not coming from there, I wouldn't want to have any feeling in my mind that it is like a hospital being built in Muskoka under times of restraint. Is there a tremendous demand there?

**Hon. Mr. Rhodes:** For housing?

**Mr. Hall:** Yes. For the OHAP need.

**Hon. Mr. Rhodes:** There is indeed.

**Mr. Hall:** Are they getting new industry?

**Hon. Mr. Rhodes:** No, not new industry; expansion of existing industry is probably the main reason for the growth that is taking place. The main industry there, Algoma Steel, has expanded considerably and increased its work force considerably. In addition, the advent of some small industry into the area has increased employment.

**Mr. Hall:** Is it your ministry's view that industry precedes housing or that housing precedes industry?

**Hon. Mr. Rhodes:** You are asking me the chicken-or-the-egg question. I really can't say. I think in many cases—and this is from a personal observation of some areas—that



industry precedes housing. The advent of industry obviously brings on a demand for housing. I think a good example of that would be Mr. Lane's riding in Elliot Lake which had been greatly depressed for so many years, with many houses boarded up. We now find those boarded-up houses all being lived in, with a great demand for more housing in the area because the mines have come to life and are growing and expanding. I would say industry precedes housing.

**Mr. Hall:** At another time I could debate the point with you on completely the reverse argument. A good argument has been put forth by some experienced planners that residential land use in turn engenders industry development and not the other way around.

**Hon. Mr. Rhodes:** If you are saying it attracts industry, I would have to agree with you. If you have good housing capability in a community combined with reasonably good industrial sites, all things being equal, if an industry is choosing a community to locate in it means there is a fairly good work force in the area; there is housing for the work force they may bring into the area. I think certainly if it attracts industry, adequate housing in a community would be of great benefit. There is no question.

**Mr. Hall:** That leads to the thought in my own mind, to a certain extent, on the selectivity of the servicing funding which goes to certain areas under OHAP as opposed to the areas which are not getting it. I don't know any other estimate in which to talk about it except the OHAP estimate. It seems to me that these other areas which are not so designated are in danger of slipping further behind if my premise that one needs services and housing to engender growth is correct.

I have referred to examples before when, even under agreements reached years ago with the Ministry of the Environment, in this period of restraint, cutbacks are occurring in servicing funding agreements. Of course, a municipality can't undertake them on its own because of the capital costs involved. The big get bigger and the small get smaller, it seems, under this circumstance. In these designated areas your ministry is obviously playing a role but by the very nature of, on one hand, you designating and, on the other hand, say, Environment restraining, you are going to get a bigger gap it seems to me.

**Hon. Mr. Rhodes:** In a number of areas which we have designated—you mentioned my own community as an example. I think there was an area where the OHAP develop-

ment which will take place there is in an area of the community which can use up existing capacity of existing sewers plus an existing sewage treatment facility. In many areas, Environment, as you have rightly mentioned, has been required to cut back on the spending it was going to do when it might have gone in and put in such an installation.

What they have been doing, as I understand it—certainly I am not trying to infringe upon Environment's area of responsibility—in many areas they are spending money where they have problems. A good example of that would be along Lake Simcoe where there are some pollution problems and some money will be spent to rectify that situation. It may not necessarily provide a great deal of extra capacity for extra development but it will clean up what is a pollution problem. Granted there are some areas where we are going with OHAP at the present time where there will be installations put in—Newcastle is an example—but there are others where there is existing capacity and a need for housing.

**Mr. Hall:** On the serviced land for OHAP, you have designated an area which you are assisting in providing serviced land for housing; within that framework are you encouraging the new and reduced standards of servicing, and including more use of ponding to cut down the high cost of storm-water drainage? Is this part and parcel of what you ask for when you go into an OHAP?

[4:00]

**Hon. Mr. Rhodes:** I think ponding would increase the costs, Mr. Hall, in most areas. But in ponding, I bow to your knowledge in that industry, although it seems that would if you're—

**Mr. Hall:** Storm-water costs are a factor of the speed of runoff from a given quantity of rainfall landing on a particular watershed. Any device that slows down runoff is naturally going to reduce the size of the outflow pipes and the carrying pipes, and in that sense I believe that efforts to slow down the flow of water cost less to service and naturally are termed ponding, whether or not they are in part grass-covered ditches and things of this nature.

It's part of a concept of reducing housing costs. I'm saying are you, with the bit of a club that you have in designating an OHAP area and putting the servicing money in, are you trying to get that theme that you have advocated yourselves across to them?



**Hon. Mr. Rhodes:** I think that by the very nature of the fact that under the programme we are requiring that 40 per cent of the buildings that are constructed must be in the particular income ranges that I gave you—

**Mr. Hall:** I appreciate that.

**Hon. Mr. Rhodes:** —that obviously is going to mean that there's going to have to be higher densities.

**Mr. Hall:** Yes, I appreciate that, but that's zoning standards and that's square footage of house standards. I'm asking about servicing standards.

**Hon. Mr. Rhodes:** Again, as I said to you before, we are encouraging the municipalities to look at the reduced standards that they could approve on development of subdivisions in these areas.

**Mr. Hall:** These are just questions. There is no implication to them, they're just for my information.

**Hon. Mr. Rhodes:** I have the greatest of confidence in you.

**Mr. Hall:** I wouldn't go that far; I'm just trying to learn at this point.

**Hon. Mr. Rhodes:** I recognize that and I appreciate your interest. I can be as nice as the next and as mean as the next, and I'm sure you can too.

**Mr. Hall:** And you're bigger than I am, too.

**Hon. Mr. Rhodes:** Oh, yes, but gentle.

**Mr. Kerrio:** I think his motives are ulterior.

**Mr. Hall:** No, they're just general questions. Mr. Cassidy has covered a lot of the points. The attempts that you're making to accelerate are interesting and I'm sure you're having the adversary situation that I discussed the other day on such discussions. Do you expect the programme to be completed at the end of this year?

**Hon. Mr. Rhodes:** The OHAP programme?

**Mr. Hall:** Yes.

**Hon. Mr. Rhodes:** We'd like to put a lot of the concepts of OHAP just into an overall general programme, general administration, rather than having it as a specific programme. The programme as it is before you now is one that, for all intents and purposes, ends on March 31, 1977. However, the previous programme ended March 31, 1976, so it could

continue. Hopefully we might be able to, as I say, develop it as a general programme.

**Mr. Hall:** Your administration costs jumped up considerably by reason of increased interest payments to the Treasurer—some \$3.5 million more or something like that. I'm not sure; I'm just trying to find the page myself, Mr. Crosbie. How about page 48—\$3,402,000.

**Hon. Mr. Rhodes:** That's interest on the previous year's loans. As our loans increase, of course, those payments will increase as well.

**Mr. Hall:** This probably has to be the way it is done, this inter-ministerial payment stuff. I would have to think it through a little. This is the common practice where if you incur any debts you take it out of your ministry's budget and pay it into his, and it shows up as a revenue then, eh?

**Mr. Crosbie:** Yes.

**Mr. Hall:** I was in public accounts a week or so ago, listening to Mr. McKeough, and it gets to be some pretty heady stuff, the flow of \$11 billion to \$12 billion. There is no further comment on that by you.

**Mr. Crosbie:** No, I think we indicated that the purpose here is to show what the true cost of this programme is. We borrow the money from the Treasurer and lend it out to the municipalities on an interest-free basis. We carry the interest cost to the government, and it shows up in our budget then as a charge which we pay to the Treasurer. In his hands it is presumably revenue. As you say when you get into public accounts, it does get involved.

**Mr. Hall:** It is probably in this mass of documents somewhere, but what is the total amount that has gone out on an interest-free basis for this sort of situation?

**Mr. Crosbie:** The total on the interest-free loans for 1974-1975 is \$70.7 million.

**Mr. Hall:** What is the repayment approach on that?

**Mr. Crosbie:** They are repaid 15 years after advance.

**Mr. Hall:** Is this a loan to a municipal or regional government?

**Mr. Crosbie:** Yes.

**Mr. Hall:** What is their method of funding repayment of the capital?



**Mr. Crosbie:** When they enter into these agreements, they have to—

**Mr. Hall:** Is it a sinking fund basis where they have to pay so much each year?

**Mr. Crosbie:** That is left up to them. They get approval from the Ontario Municipal Board to enter into these arrangements with us and, presumably, whatever funding is worked out is approved at that time.

**Mr. Hall:** But it is interest-free for 15 years?

**Mr. Crosbie:** Yes. Actually, it is interest-free, with no payments whatever the first three years. Then they start paying it back, one-fifteenth per year over a 15-year period. By the time they have paid the last instalment, they are 18 years down the road, but there would no interest running against any of those payments.

**Mr. Hall:** I will have to ask Mr. Crosbie another question on that then. Is it three years interest-free and no repayment, or do you mean 15 years interest-free?

**Mr. Crosbie:** For three years there is no payment at all. Then they start paying it back, one-fifteenth per year.

**Mr. Hall:** Of capital only though, no interest?

**Mr. Crosbie:** Yes, capital only. At the end of the 18th year they will have paid back the loan without paying any interest at all.

**Mr. Hall:** What disturbs me so much is that municipalities which are not under OHAP can't even enter into agreements with the Ministry of the Environment, where they are willing to pay the going rate of interest, far less than being interest free for 15 years. The discrepancy between one community and another, despite all the other merits of the OHAP programme, seems to me to be very hard for communities to accept that don't have OHAP. Here I am, talking about something that isn't there, and you're having to answer only on things which are in place and designated, I realize; I think you will understand the latitude of my question as it reflects on one community versus another community. Do you see my concern? Do you even share in it?

**Hon. Mr. Rhodes:** I recognize you are saying that there are communities which are not eligible for the OHAP funding. The programme is not universal. It is for areas which are designated. There is nothing to say that a particular community will not be discon-

tinued in the OHAP programme and another one will come on, which is not totally unlike what is done in other jurisdictions as far as funding is concerned.

I'm sure in your municipal life, you recognized that there were certain times when moneys were spent in one particular section of the city to provide certain types of services and a year or two years or three years later that same service was provided in another section of that city.

**Mr. Hall:** Just to clear the record, my municipal life has always been strictly as a taxpayer.

**Hon. Mr. Rhodes:** Then you know even better how it was spent in some parts of the city and not in the others.

**Mr. Hall:** Nevertheless, the very fact of what I'm talking about here—the choice of designation by your ministry—is a fantastically powerful control weapon in designating where growth will occur; do you agree?

**Hon. Mr. Rhodes:** I would think we would like to use the word incentive rather than the word control.

**Mr. Hall:** You can choose what word you wish and I don't mean the word control in any derogatory sense. I am concerned that, by its very nature, it is a strong planning tool for a central government.

**Hon. Mr. Rhodes:** Yes, I would have to say that's quite correct. I make no apology for that in the hope that perhaps, if you take this area as an example, we can make an effort to draw some of that development through OHAP to the east of Metro as opposed to continuing it in the west. It is a strong tool, no question.

**Mr. Hall:** Let's assume for a moment that this programme went on for a while; would an area ever get an OHAP designation if it didn't have an official plan and area service boundary limits?

**Hon. Mr. Rhodes:** Yes. The whole region of Durham doesn't have an official plan and OHAP funding has been made available to them there.

**Mr. Hall:** So that in itself would never be a factor?

**Hon. Mr. Rhodes:** No. Our desire is to accelerate the construction of housing and development. If it can be done in a particular community with the co-operation of the community, that's exactly what we want to do.



Part of our programme, too, is to provide some planning funds to the municipality. It is part of the overall programme.

**Mr. Hall:** On the one hand you're quite rightly discussing where there is emergency need for growth in your judgement and by your statistics. You perceive this to be, say, in North Pickering and to that extent you are discussing with the Minister of Agriculture and Food just what lands, even though they be class 1 and class 2, you can utilize. Yet in other areas, without the funds, without the designation, without the equality of financial opportunity, you are restricting urban boundaries right now by suggestion or by delay of approval of official plans. The scales don't balance too well in my mind in terms of equality of opportunity. Therefore it gets back to your judgement as to where the growth should occur, it seems to me.

[4:15]

**Hon. Mr. Rhodes:** In part, I suppose that has to be correct. If you're going to be responsible for the planning—and I suggest that that is part of the responsibility of the government and of this ministry—then we obviously have to have some of the tools that are necessary to direct some of the growth.

Part of that growth has to be within the framework of good planning; not all of that growth should be in the framework of good planning. If we are going to look for growth, as I say, in this particular area to the east of Metro, then we are going to have to do things to make sure that there is incentive for the growth, as well as incentive to have good planning.

It is certainly not intended in any way to use, as you suggest—maybe it's as I interpret you suggesting—the delays in approvals of official plans as a method of stifling growth in an area. I don't think that's fair because I can very readily show you the number of official plans that are approved in many parts of this province that are not OHAP areas.

The people want their plans and we encourage them to get the official plans. In fact we have been criticized—certainly I have and I think my predecessors, too—for too extensive a use of the minister's zoning orders and we have been accused of using this as a club to force municipalities to speed up the production of their official plans, which in fact we have done with the zoning order.

**Mr. Hall:** I clarified the other day, I believe, in talking to Mr. Wronski, that the final official plan would have to be co-existent with an urban area service boundary in any

community. The one would accurately reflect the other. And zoning amendments would have to be made to put into an agricultural use, say, something that was later determined to be without the urban service boundary area, as opposed to being within it.

It concerns me, because this is an on-going process down in the Niagara region, six years after regional government was formed. I can visualize now—and I've discussed this with some lawyers—a problem where municipalities and everybody else had given encouragement to acquire lands and use them and now, in an attitude where there is more interest in preserving class 1, 2, 3 lands, or lands that have certain temperature favourabilities, a boundary line is struck. But the land is really not useful to the present owner, not being a farmer or a grape grower, or something like this, and therefore there are apt to be hundreds of appeals against the decision that is made maybe tying up the process for many years to come.

I don't know the answer to it. I want to let you know, if you haven't already become aware, that this seems to lie ahead when you're trying to retrench back on your urban service area boundaries and therefore your official plan land-use limits in the community.

**Hon. Mr. Rhodes:** You're referring to official plans that have been in place in some communities for some time?

**Mr. Hall:** Yes, which don't suit a regional official plan.

**Hon. Mr. Rhodes:** That's correct, and I think that part of that problem of appeals, of course is, as you mentioned, compounded by the fact that values have changed tremendously. I certainly don't have to tell you about what appear to be the changing values in the part of the province that you're from.

**Mr. Hall:** That's right.

**Hon. Mr. Rhodes:** They've altered dramatically in the last short while, as to the necessity for retaining agricultural land and the necessity for retaining recreational areas, the necessity for protecting the Niagara Escarpment and all of these things that have come into being within, I suppose, less than 10 years. It isn't that someone sat in an office somewhere and said, "This is a great idea." It was as the result of what became a very high profile public perception of what should be done.

**Mr. Hall:** Yes, and it's in the wrong ministry. But the part that the public hasn't yet



perceived, of course, is that we have not yet solved the problem of remuneration back to the farmer.

This is getting away from OHAP.

I wanted to find out the designation, the financing situation, and then draw a comparison between those that have it and those that don't have it. I think that even though I've taken a little of your time, it's possibly worthwhile to point out to the Minister of the Environment (Mr. Kerr) that when he exercises this restraint it's indeed a penalty on a non-designated community, as opposed to those that have achieved designation.

I don't have any particular comments further than that, Mr. Minister.

Ms. Gigantes: I would like to ask the minister to provide as much information as he can about the OHAP arrangements in south Rideau.

Hon. Mr. Rhodes: In the south Rideau area?

Ms. Gigantes: Yes. As I recollect the first announcements were made in 1973, and the whole idea was that they were going to be very speedily proceeded with.

Hon. Mr. Rhodes: You said 1973?

Ms. Gigantes: Yes.

Hon. Mr. Rhodes: That may be correct. The information that I have here deals with the dates of agreements that were signed. The first agreement was signed on June 1, 1974.

Ms. Gigantes: I believe the announcement was made in 1973.

Hon. Mr. Rhodes: As to the OHAP area?

Ms. Gigantes: Yes.

Hon. Mr. Rhodes: That may well be. I don't know. I don't have that information. Is that correct?

Mr. Strachan: I don't believe that's correct. The Ottawa-Carleton region is designated as an OHAP area, but I don't think the south growth area was designated in 1973. I don't believe so.

Hon. Mr. Rhodes: The Ottawa-Carleton area was designated as an OHAP area in 1973—is that what you are referring to?

Ms. Gigantes: No, I was talking about south Rideau. I'm interested, because OHAP is a programme that is supposed to produce housing in a speedy way.

Hon. Mr. Rhodes: It's to attempt to accelerate development in areas, yes.

Ms. Gigantes: What's taken so long in south Rideau?

Hon. Mr. Rhodes: I think you know what's taking so long.

Ms. Gigantes: No, I don't.

Hon. Mr. Rhodes: The development of the Ottawa-Carleton official plan certainly had something to do with it.

Ms. Gigantes: Yes, but you're prepared to go ahead and make contracts now before the official plan is finally passed.

Hon. Mr. Rhodes: I think I explained to you the other day, and I certainly do so again, is that although we may enter into agreements with a developer, that agreement is of no value to anyone unless the agreement is also reached with the municipality. It's between the developer and the municipality. And, of course, if that agreement is not reached, the development doesn't go ahead.

So, you see, I'm prepared to enter into agreements with developers who are prepared to enter into agreements with the municipality, but it takes all three parties.

Ms. Gigantes: Suppose at this stage that the OMB hears objections to the Ottawa-Carleton regional plan and agrees, in particular, to the objections that are raised about the south Rideau development—what happens to your contracts?

Hon. Mr. Rhodes: Again, I go back to what I just said. If the Ontario Municipal Board was not to agree with the Ottawa-Carleton regional official plan, and some other designation is applied to that particular land and it cannot be developed for housing purposes, then there is no agreement. The agreement is signed, but only between the government and the developer. It would not have been signed between the developer and the municipality.

You can't very well develop on land that is not properly zoned or properly designated in an official plan. So nothing would happen, and the agreements would be null and void.

Ms. Gigantes: How fast do you intend to proceed with the agreements? What would be the staging of the south Rideau development?

Mr. Strachan: I think what has to be understood in the south growth area is that the regional official plan which is presently in process designates the south growth area as just that, a growth area, and requires that an



official plan amendment shall be produced for the development of those lands. Then, after the official plan amendment has gone through the process, there will be the normal secondary plan and draft plan requirements.

This is going to take quite some time. There was never any thought when the agreements were entered into that the lands will be produced for housing tomorrow or even next year. It's a lengthy process of which the regional official plan is just the first step.

**Ms. Gigantes:** How long would you project then before the full OHAP agreements would be brought on stream?

**Mr. Strachan:** Before the first developments take place?

**Ms. Gigantes:** No, before all your potential agreements bear fruit.

**Mr. Strachan:** I would say it is going to take anything from three to five years before the first development takes place in the south growth area.

**Ms. Gigantes:** Before the first contracts for 316 acres that was announced.

**Mr. Strachan:** It's very difficult at this stage of the game, when the regional official plan is still to be approved and there is no official plan amendment yet designed or even being designed, to say which lands are going to come first within that community. There are four or five developers involved in the area, which I'm sure you know.

You are really asking a question that at this stage of the game is impossible to answer. I think our best guess would be that the beginning of the development could not be in less than three to five years.

**Ms. Gigantes:** This is the first 316 acres which was announced by the Ministry of Housing?

**Mr. Strachan:** I am not sure what 316 acres you are specifically referring to.

**Ms. Gigantes:** The news release from the ministry said agreements with private industry have already been signed for the development of 316 acres, beginning in 1976.

**Mr. Strachan:** I think what is referred to there is part of the south growth area, but it's in the Barrhaven area, which is under development. When we have been referring here to the south growth area, I think we are talking of the larger area of lands which is

the subject of the regional official plan discussions going on now.

**Ms. Gigantes:** Could you give some kind of estimate? I understand there are 5,150 acres under OHAP ministry-developer agreements, all long-term development. How long will the long term be?

**Mr. Strachan:** As I was saying, we are talking of at least three to five years before the lands within those agreements can be developed.

**Ms. Gigantes:** And how long would it be before the last of the agreements saw its last house go up?

**Hon. Mr. Rhodes:** With respect, I think that is impossible for Mr. Strachan to answer. There are so many unknowns that can take place between that time and the time when all the land can be developed. I don't think we can tell you even by a remote guess that would have some accuracy.

We are well aware of some of the problems that exist there as well as you are and what the demands are going to be. It may well be that the demand will fall off. We don't know. Somebody mentioned earlier that the population may decline. I can't tell you when the last house is going to go up. I am sure you know that.

**Ms. Gigantes:** I really thought maybe you could.

**Hon. Mr. Rhodes:** I don't think I can any more than I can tell you when the last house will go up in that 316 acres we are talking about in Barrhaven. Hopefully, it would be right away.

**Ms. Gigantes:** What happens if the OHAP agreements fall through in those areas? Is there a cost to the ministry?

**Hon. Mr. Rhodes:** No.

**Ms. Gigantes:** It's just a paper agreement?

**Hon. Mr. Rhodes:** That's right. It's just an agreement that if they produce, we produce. If they don't produce, we don't.

[4:30]

Vote 2003 agreed to.

On vote 2004:

**Mr. Chairman:** We adjourn at 5 o'clock, so we have a short while to carry on with vote 2004, item 1.

**Hon. Mr. Rhodes:** Mr. Chairman, perhaps this might be a good time—I recognize that Ms. Gigantes is here in the absence of Mr.



Hall and Mr. Cassidy as the specific critics. We are starting into housing development, and it is my intention when we get to item 2, dealing with the Ontario Housing Corp. in particular, to make a statement. I wonder if the committee would agree that I could probably use up the balance of the time in the statement I'm going to give, and we could start off with discussions the next time we meet on Friday.

**Mr. Chairman:** We could have this statement given to each of the critics.

**Hon. Mr. Rhodes:** Or, the other alternative is that I could make copies of the statement available to the critics for their perusal between now and Friday. Or, subject to the committee, we can deal with item 1 at this time and start off with item 2 fresh and clean on Friday—whatever you prefer.

**Ms. Gigantes:** I think Mr. Cassidy expects to be back in a matter of moments, and I think he would want to continue; whether with a statement from you or—

**Hon. Mr. Rhodes:** As I say, my statement is rather lengthy, as it deals with the Ontario Housing aspect of the vote. It would probably take us to 5 o'clock. I would be quite prepared at this time, if you wish, to discuss item 1, administration, and hold the statement and other comments until we come back Friday; or read the statement now, and start with administration and what have you when we come back on Friday.

**Mr. Chairman:** I think if we could have the statement now it will give the critics time to read it over the next few days. Would you agree with that?

**Mr. Kerrio:** We agree.

**Hon. Mr. Rhodes:** I'll make a copy of the statement available to them anyway.

**Mr. Williams:** I would have thought it would be better if the critics were here.

**Mr. Chairman:** Then they will have a day or so to read about it.

**Hon. Mr. Rhodes:** Mr. Chairman, during the earlier discussions we have had on other votes, a number of items were raised by members which, strictly speaking, were associated with the vote we are now to discuss. As a further assistance to the examination of these expenditure items, I would like to sketch some broad areas of activities carried out by Ontario Housing Corp., deal with some of the issues that have been raised, and share

with the members some of the information and ideas so as to get their views.

It's been said, I suppose, that exaggeration is truth that has lost its temper. So some of the remarks made earlier by Ontario Housing Corp. management, I think, fall into that category. Being an organization run by human beings it is imperfect and, I would be the first to admit, subject to management errors. However, some of the matters raised have nothing to do with management style, but rather with the political philosophy of the complainer.

I don't want to provoke anybody with these remarks. I merely want to point out that there are often two sides to every matter. Some of the items I will raise are not done to praise elements of the ministry, but to put on record some of the things which are being done in the social housing management development areas.

The first item I would like to review is the recent establishment of an organization known as the housing management institute. This was established to promote the professional development of property managers and develop a recognized course of study. It was spearheaded by the staff of Ontario Housing Corp. and has the active support of property management groups in the private sector.

The genesis of the committee which led to the Institute of Housing Management, which received its charter of incorporation on Jan. 16 this year, arose from a letter written by Mr. J. B. S. Rose, the general manager of OHC, inviting people to get together and form a steering committee to look into the possibilities of such a group.

As I briefly sketch the outline of the Institute of Housing Management, we will be making available to you a brochure which will go into it in much more detail and which you can read at your leisure.

As a result of the letter, a steering committee was formed under the chairmanship of Mr. H. E. Stimpson, director of housing operations within OHC, to investigate ways and means of bringing professional status to social housing management through such a form as an institute. Mr. Stimpson was subsequently elected chairman of the first board of directors of the institute, which includes three other OHC staff members and a representative of a housing authority, the city of Toronto housing operation and the Montreal Trust Co.

About 108 applications have been received so far, which I feel confirms the need for an institute to improve the professional stand-



ards of people involved in the management of non-profit and other privately-operated social housing programmes, as well as those of the public servants involved in this important work.

I would draw the members' attention to the aims and objectives of the new institute which appear in the third page of the brochure you will receive, under headings A through E inclusive. I think you will agree with me that OHC is to be congratulated for the development of such an institute which will have a long-term impact on the management of social housing in the province through the provision of the first accredited course of study.

The second step, a correspondence course which will allow prospective students throughout the province the opportunity to take this course of study by mail, is still in the stage of finalization. We are currently awaiting a cabinet decision in regard to the extension course under which George Brown College of Applied Arts and Technology will be developing a suitable range of home study seminar course packages. This would enable an individual registered in the course, including tenants and condominium owners, to complete an identical course of study to that of the student registered in the full-time residential housing programme now under way at George Brown College.

As well as the regular community relations activities the corporation has been carrying out over the years, there has been developed a very strong summer student programme to provide children in socially-assisted housing with a recreation programme during the holidays. As well, last year we engaged staff from a number of boroughs and community centres, such as Toronto's WoodGreen Community Centre, to develop a series of programmes which encourage and train tenants on how to operate their own social and recreation programme and how to mix in with the community around them. This has generated, in some areas, considerable tenant leadership and we think it will pay good dividends in the future for residents and the corporation.

During the course of these remarks, I'll be mentioning some matters which appeared in the recent edition of *Housing Ontario*. Perhaps we could have the items passed out. The first two would go out now—the brochure first and the *Housing Ontario* magazine—so that you can familiarize yourselves with the items so that the time of the committee is not taken up with a very long statement by me. I will merely refer you to the items which illustrate or enlarge upon the points I'm making.

The next point, the decentralization of the management system of Ontario Housing Corp. and the creation of new local housing authorities, is the first such point I will develop in conjunction with the magazine. There's an article on page 11. You will note that the article refers to three new district housing authorities: Nipissing and Parry Sound, Kent and Chatham, and Essex County, which in themselves are expansions of the local housing authority system. This allows authorities to be set up on a broader geographical basis than a municipality and hence extend the availability of socially-assisted housing to very small communities which otherwise might not become involved.

As the article in the magazine points out, the province has approved the principle that housing management will be further decentralized with the transfer of all OHC direct management portfolios to local housing authorities in various parts of Ontario.

In housing development, I wish to touch very briefly on a few items which I think the committee members will be interested in and, perhaps, items the committee members may not be aware of. Among the innovative techniques, I should certainly mention the solar-heated housing which OHC is involved in. Not only is the corporation monitoring the housing development in King township—a single-family house nearing completion which is an urban demonstration project under Habitat—OHC, in co-operation with the Ontario Ministry of Energy and Central Mortgage and Housing, is extending this into a much larger operation in Aylmer. The members can read about that in detail on page 18 of the magazine.

I would only say that OHC has recently concluded the public architectural design competition to select the design and design consultants for the 30-unit senior citizen apartment building in Aylmer.

Earlier in this debate, some of the hon. members asked about certain standards of construction and whether or not OHC met the Ontario Building Code in regard to insulation. Mr. Riggs explained that the corporation builds to its schedule A, which is a list of specifications which builders must meet over and above the Ontario Building Code. I thought it would be of use to the committee if the clerk would pass out that schedule A, which covers the corporation's requirements for family and senior citizens' units. These are the criteria experience in the development of social housing has taught us to include in other projects. If we could have those available to the members of the committee, please.



You will note that there are two sets of schedule A for modified architectural tender calls, one for families and one for senior citizens. I won't apologize for the bulk of these because a great deal of work within the corporation has gone into their development over the years and the value of them has been recognized by the architectural association. Bill Gibson, the chief architect of Ontario Housing Corp., was honoured this year by that profession which has named him a fellow of the Royal Architectural Institute of Canada for the development of this modified tender call system.

Under this innovative system, OHC commissions professional architects and engineers to prepare preliminary design drawings and to obtain municipal approvals. This allows the municipalities, and at this stage housing authorities, to have a full input into the site and design of the building. Public tenders are then called and the successful contractor is responsible for completing the detailed construction documents.

Ever since the federal government made funding available for providing recreation and social facilities in older public housing projects, improvements have been carried out extensively across Ontario. Most of the members are aware that in the largest public housing project, Regent Park, the upgrading programme consisted of a \$4-million proposition which is being developed in close co-operation with the tenants' association and the city of Toronto recreation department.

A little later I will be going into some detail on the tenant management experiment in Regent Park, which is Canada's oldest public housing project. We have just recently signed a new operating agreement with the Regent Park Community Improvement Association. The number of individuals involved, units covered and dollars invested makes this involvement of tenants and management the largest I am aware of.

Although Regent Park tenants are very much involved in management, tenants in many other projects are involved in our budget process, particularly major items relating to maintenance and improvement of their projects. Unfortunately, this participation is not as common as I believe it should be, and we will be requesting our housing authorities this year to ensure that tenant associations will fully participate in the budget process.

Earlier I tabled project budgets for 1976 with you and I believe this information will fully inform the members of the total management budget of OHC.

Finally, on page 21 in the magazine, there is a story about a family which was saved due to a project the Ontario Housing Corp. has had under way for some time. This is the installation of smoke detectors in all OHC family and senior citizen projects of every architectural design across the province. This continuing programme started last year.

Earlier in the discussions we talked about the zero lot line concept. It was pioneered in Canada by OHC. The current urban development standards report, which is being circulated to the municipalities for their comment, incorporates in its recommendations many of the experiences that have been gained from this approach, both in Brampton and in Windsor, where nearly 3,000 housing units have been brought on at prices and for income levels that could not have otherwise been served.

Before leaving the development area, let me just refresh the members' memories by pointing out that OHC has not for a number of years, been building larger projects. When the corporation began, it did build those projects and it did so because it modelled itself on municipal experience and municipal approaches which had been quite acceptable in the early 1960s. But it's to the corporation's credit that it has moved toward the building of low-density projects and to the provision of family housing through a number of programmes, such as rent supplement, community-integrated housing, community-sponsored housing, 10 per cent of HOME houses which are reserved for family housing; and through other techniques, such as the accelerated rental housing programme.

This is a shift away from the assembly line technique of providing socially assisted housing to one of customizing and innovation aimed at a better integration throughout the community. While it brings certain social benefits, I would be less than honest if I didn't draw to the attention of the members that it has its limitations. It takes longer and does not attain the production levels of the big projects which, when they came on stream, had quite an impact on waiting lists.

As Mr. Hall would say, we will move right along. I think we should now touch on the area of tenant involvement in management and tenant relations generally, both for funding and the establishment of tenant organizations. In a general way, perhaps I can say that tenants, like anyone else, become involved in something only if they want to become involved. Not everybody is a joiner. For example, in my own home town in Sault Ste. Marie a room was rented in a nearby school and an invitation was hand-



delivered to all the tenants in the 54-unit project to discuss a draft proposal for an \$80,000-upgrading project. Five staff members were on hand, and no tenants showed up. People who were asked about missing the meeting indicated they just didn't want to go out that night. You can't force them to attend these meetings. We went ahead with the project—it was a landscaping project—it was completed last summer and there haven't been any complaints so I guess they are happy. The meeting wasn't really necessary for them in the long run.

[4:45]

In the Mohawk Gardens area in Hamilton, there is a steering committee for the redevelopment of the area and the tenants have had a great deal of input, from the overall plan right down to the detailed plan, and to what type of development should take place. I am not going to get into a competition with my friend from Ottawa Centre and start listing projects where tenants are involved in management while he lists the projects where they are not. I will be dealing with some specific cases of tenant involvement in management not with the idea of a generalized list but rather as examples to outline a point.

The first one I would like to deal with is the Regent Park Community Improvement Association agreement which I mentioned earlier briefly. A new tenant-management agreement has just been signed covering the period from May 1 to Dec. 31 of this year for a total amount of the contract of \$219,218. The first contract was for \$96,000 so you can see that this is a substantial increase in the money we are paying the tenants who are taking over a number of management functions within the complex.

The first agreement was signed in June, 1974, and it resulted in improved resident-management relationships and extended the involvement of the tenants in security and preventive maintenance programmes with very positive results. In addition to the responsibilities the tenants undertook in the original contract, the association is now assuming responsibility for the supervision of laundry rooms, parking areas and will provide a representative on the internal transfer committee and the short-form tender committee.

In early August, the residents of the Alexandra Park project in Metropolitan Toronto approached the corporation with the request that we consider a management agreement with them. We met with the groups on several occasions and drew up a management agreement. The association is a very co-operative and conscientious group

and we believe they will contribute substantially to management of that project. They will make a good contribution and it should improve that whole area.

Their charter of incorporation together with our recommended agreement is currently with Central Mortgage and Housing Corp. for their approval as the federal body will be involved in sharing the costs of the new contract.

There have been other discussions of tenant-management agreements but none of these has been finalized.

As well, the corporation has worked out guidelines covering the method of establishing management in other projects.

Some members mention the need for tenants on housing authority boards. Across Ontario, we have public housing tenants on or in the process of joining boards at Kingston, Ottawa, Thunder Bay, Windsor, Sudbury and Stratford.

In some other areas, tenants attend parts of board meetings, although they are not members of the board.

As for opening portions of the housing authority meetings to the public, I think this is a good idea. I will be writing the various authorities inviting them to open up parts of their meetings to the public.

Dealing now with the matter of financial support for tenant associations, I would point out that the former Minister of Housing, in April, 1974, at a meeting with the Ontario Housing Tenants' Association in Windsor, proposed that a committee be set up to investigate the matter of financial support. This minister's committee consisted of delegates from the ministry, the tenants' association, the Association of Housing Authorities, Central Mortgage and Housing Corp., OHC, the Provincial-Municipal Liaison Committee and the Ministry of Culture and Recreation. A number of meetings have been held since that time in order to draw up a policy, and a report has now been prepared by the group and forwarded to me for my consideration.

Essentially, the committee recommends that federal-provincial moneys be provided as initial funding to tenants who are interested in forming an association. During the first year of operation, an association which has been successful in organizing and electing a slate of officers and has initiated some form of programming for the residents would be eligible to submit a proposed budget to the local housing authority for funding support.

This funding would be provided through the operating budget of the project and



would be cost-shared between the three levels of government.

After the first year of operation, a "matched dollar" formula is proposed. The total figure involved would be \$20 a unit from all government sources. In subsequent years, a diminishing formula would be applied to maintain tenant incentive and initiative in fund-raising endeavours. I have not yet arrived at a decision in regard to this proposal nor have I had an opportunity to discuss it with my colleagues.

However, the province has not been lax in funding tenant activities. For many years, funds were provided in all areas of the province in response to requests for office equipment, sports equipment and special projects. It wasn't until the early 1970s that thoughts were given to really formalizing this into something more than a response to a request. Part of the thinking behind this is that by assisting tenants to develop their capacity to participate in the management of their development, we would develop a more efficient management of the property involved.

In 1973, OHC provided \$6,000 to cover the cost of a meeting facility and travelling expenses for delegates to a provincial conference to organize a tenant group. The next year a \$7,200 grant was provided for the 1974 conference in Windsor. At that conference, a further grant of \$15,000 was made to the tenant executive committee which would be meeting to formulate a proposal for permanent funding of a provincial group.

This committee of the Ontario Housing Tenants' Association subsequently submitted a request which resulted in an operational budget being approved in the total of \$99,300. The funds were to be used to establish a province-wide umbrella organization which would assist and liaise with local groups to provide leadership and assistance. This grant was approved by both OHC and CHMC with the contribution being \$66,200 in the current fiscal year. A three-year budget on a diminishing basis was agreed upon by the association and OHC. Any additional financial support would come from tenant groups funded under the proposal I've already outlined.

I'd like to turn now to the rent scale which a number of the members have raised, particularly in regard to using it as a negotiating item to keep public housing within the gamut of rent review. Let me say at the very outset of our discussions on rent that I am quite prepared to consider changes in the rent scale. I've already asked staff to review all the submissions that have been received at OHC, look at discussions that have taken

place with CMHC and with tenants and to submit to me a draft of what it's possible to do within the economic restraints we now have to face. We would then discuss this matter with our senior partner in Ottawa, which pays 50 per cent of any deficit and, of course, with my cabinet colleagues, and we would probably have to have some discussions as well with the municipal people who will be involved, perhaps through the liaison committee.

I think we should take the opportunity during these estimates to hear from the members themselves on this item. I would ask you to let me know where you think changes can equitably be made in the scale, remembering that our purse is not without limit. To assist you in this, the Clerk will be tabling with you some material, the first of which is the history of the rent-gear-to-income formula which is reprinted from a Housing Ontario magazine a few years back. As well, there is a table comparing the FOTA-suggested scale with the present one and relating it to the cost impact on government. Finally, there is a slide device which enables property managers to apply the appropriate rent scale—there are 30 such scales in Ontario—to the particular unit and project. The scale varies depending on services and where the tenant lives, and this accounts for the matter raised earlier by Mrs. Campbell.

The article by Homer Borland, formerly a director with Central Mortgage and Housing Corp., will indicate that over the course of the years there have been many changes in the rent scale, all to the benefit of the tenant, each providing a real reduction in the percentage of income he or she must put out for rent in public housing. Elsewhere in the article, I would refer you to page 19 where three common objections to the rent scale are listed: the use of gross rather than net take-home pay for its calculations; objections that there are no adjustments made for the size of families; and the objection to the inclusion of overtime pay in the amount of the exemption for the earnings of the spouse.

Mr. Borland points out that gross income is easily determined, while payroll deductions vary from province to province and between employers. Standard deductions are income tax, hospital insurance, unemployment insurance and the Canada Pension Plan. However, there are great variations as far as such things as employee pension plan, union dues, charitable and church contributions, savings bonds, purchases of plant products and the like are concerned. From these arguments, it would appear to me that the gross income



is a more equitable base for determining rent calculations related to income than is net.

With respect to family size, Mr. Borland points out that there is no surcharge for larger accommodation, as allocations are based on family size and its needs, that is, you will pay the same rent for a five-bedroom that you would pay for a two-bedroom because the rent is based on income and not on the unit size or type. Family allowances are not included in the definition of family income—they used to be in the early days of the scale but are no longer—and income tax deductions take family size into consideration. Therefore, adjustments are made for the larger family in that they have larger amounts of disposable income and larger units at no higher rent.

The exemption of overtime pay in the calculation of family income would place those families whose circumstances do not permit such extra work at a disadvantage. Even though the extra earnings result in higher rentals, it should be remembered that 70 per cent or more of such earnings are still available for family spending. I won't say more about the rent scale. As I indicated earlier, I am quite interested in hearing what the hon. members have to say about it.

Before we do so, I would ask the Clerk to distribute the following material, as it covers topics often raised in estimates. This material includes a brochure on the appointment of housing authority members, an explanation of the point rating system, processing forms for family and senior citizen applicants and the criteria for the phased establishment of tenant management agreements.

You will note in the housing authority brochure that the qualifications for being a member are to be a public-spirited resident of the community, and members may be representative of all walks of life.

Mr. Chairman, I thank you and the members of the committee for permitting me to make that rather lengthy statement. I told you I would take you almost to 5 o'clock. I see that I haven't lost my touch at being able to get out at 30 seconds before time for the break, Ms. Gigantes; so I have been right on.

And there is one other point. I also mentioned in the discussion that we would file with Mr. Cassidy the interest rates of various projects. I would like to do that, too.

Mr. Cassidy: That is also accessible to tenants—is that correct?

Hon. Mr. Rhodes: Yes.

Mr. Cassidy: Is that interest rates and the capital value in each case—or what?

Hon. Mr. Rhodes: Yes. Mr. Kerrio, would you want to take this for Mr. Hall?

Mr. Kerrio: Yes.

Hon. Mr. Rhodes: Do you want a copy of that?

Mr. Williams: Yes.

Mr. Cassidy: Mr. Chairman, I will just comment briefly, because we are going to wind up. Frankly, I am relieved we are on this housing development vote, because I think that the chances of getting through on time would have been difficult if we kept on OHAP for three or four days.

Also, I have very mixed feelings about the minister's statement. I have to say, Mr. Minister, that I applaud the fact that you, unlike your predecessors, have decided to put some material on the table. I welcome your interest in the rent scale. In fact, I welcome the fact that during the course of your statement you have tried to come to grips with a number of the issues that we have been raising in the NDP in relation to public housing.

It is about time we had that kind of discussion. I think it is significant, perhaps, that you are showing movement in almost every area where we have suggested that it's about time for a change. And I welcome that.

I have to say as well, though, that parts of the statement, which I assume came from OHC, are terribly patronizing. I was sitting here simply boiling over listening to the tone and manner in which that statement had been prepared for you, Mr. Minister. It reflects everything which has been wrong about OHC in the past.

To flatter yourself that OHC is doing great things in the area of tenant management, or the assistance of tenant associations, is simply wrong-headed. To say that you are doing a great job when you found \$6,000 for them one year, and you had had a meeting another year, and you had been working for a couple of years on a proposal for funding, and so on—all of these are devices that the OHC management and your predecessors have used in order to try and avoid involvement by tenants and in order to wear down any active groups of tenants who came onto the scene.



Those are devices that have been used very successfully in the past, right up to just about five weeks ago, when the President of the Federation of Tenants' Associations was induced to become the vice-chairman of the Rent Review Appeal Board. She was cut off from her base, had to resign as president, and now finds very quickly that the ministry intended all along to take OHC out of rent review. As a consequence, she is now vice-chairman of a board which has no jurisdiction over the tenants whom she has represented in the past. That is typical of the kind of manipulation that has taken place by the government and the ministry in the past.

**Hon. Mr. Rhodes:** Mr. Cassidy, I know the lady to whom you are referring. I sat at a meeting with her, and she indicated to me a great desire to serve on that board, and at the same meeting indicated to me there was no way in the world that Ontario Housing residents should be under rent control. She said that to me, and she was quite willing to serve on that board.

So, I think it is totally inaccurate for you to sit here and attempt to tell me, on her behalf—because if she wants to say it, I would rather she said it to me—that she is unhappy with the fact rent review is not applied to those units, and that she wishes that she were not on that board. I don't think that is correct.

**Mr. Cassidy:** I am not talking about her—

**Mr. Chairman:** Since it is now 5 o'clock, we agreed to adjourn at 5 p.m. We can continue on Friday after question period.

**Mr. Cassidy:** Can I just say one word, Mr. Chairman? I am critical about certain parts of the statement. I do want to say, though, that in general, Mr. Minister, that you are opening a new book as far as OHC is concerned. As I say, my emotions are mixed about it, but there is a new book being opened and I am glad that that is happening.

**Hon. Mr. Rhodes:** That's a second little step for mankind.

**Mr. Chairman:** We will start on vote 2004, item 1, on Friday.

**Hon. Mr. Rhodes:** Mr. Chairman, just before we go, I was asked by Mr. Godfrey—and I am sorry that I didn't get this in earlier—in our last meeting on Monday we were discussing some figures, and I want to put

them on the record so that he can get them correct. Because there was some confusion as to how these figures were coming out.

Two figures were mentioned as they related to North Pickering. Mr. Godfrey asked what the costs were for property administration. That figure was \$655,000. He also asked what the rental revenue was; and the rental revenue from the properties there was \$1.1 million. He then asked about land costs, and this is where there was some confusion as to what was included. The land costs as of March 31, 1975, were \$198 million, including accrued interest. As of March 31, 1976, including accrued interest, it is \$213 million.

**Mr. Chairman:** Mr. Hall, since you missed part of the meeting, is there anything that you would like to add?

**Mr. Hall:** When are we meeting again?

**Hon. Mr. Rhodes:** Friday morning.

**Mr. Hall:** At 11 o'clock?

**Hon. Mr. Rhodes:** Yes, sir.

[5:00]

**Mr. Cassidy:** Mr. Chairman, since a number of the members of the committee were absent perhaps the Clerk and Mr. Snell could co-operate in getting together a kit of this material which the minister has put together so there are several sets available.

**Hon. Mr. Rhodes:** They are already here. We had enough for all.

**Mr. Chairman:** And you have a copy of your statement, do you?

**Hon. Mr. Rhodes:** I hope you have a good sized filing cabinet.

**Mr. Chairman:** Did you get one?

**Mr. Hall:** Yes.

**Hon. Mr. Rhodes:** I've got more coming for you.

**Mr. Cassidy:** If I could get one from Mrs. Scrivener, I'd be OK.

**Mr. Williams:** Mr. Chairman, the statement we have is, of course, an excellent one. The minister never ceases to amaze me as to how far ahead of the times he is. I think he is continually pulling the rug out from under not only the opposition critics but our own



government members. He is moving so fast in these areas it is indeed astounding and refreshing. I think we look forward to Friday's discussions with eagerness.

**Mr. Hall:** One correction, Mr. Williams; we don't have rugs, unfortunately.

**Mr. Cassidy:** You are getting tributes from Williams and me. I hope you realize that.

**Hon. Mr. Rhodes:** Well, Hall is being his usual non-committal self.

The committee adjourned at 5:02 p.m.



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## SPEAKERS IN THIS ISSUE

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Cassidy, M. (Ottawa Centre NDP)  
 Cunningham, E. (Wentworth North L)  
 Gigantes, E. (Carleton East NDP)  
 Godfrey, C. (Durham West NDP)  
 Hall, R. (Lincoln L)  
 Kerrio, V. (Niagara Falls L)  
 Lane, J. (Algoma-Manitoulin PC)  
 Laughren, F. (Nickel Belt NDP)  
 Makarchuk, M. (Brantford NDP)  
 Rhodes, Hon. J. R.; Minister of Housing (Sault Ste. Marie PC)  
 Williams, J. (Oriole PC)

### Ministry of Housing officials taking part:

Crosbie, D. A., Deputy Minister  
 Forster, J. L., Project Director, North Pickering Project  
 Strachan, J. D., Manager, Housing Co-ordinator, Ontario Housing Action Programme











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# Legislature of Ontario Debates

SUPPLY COMMITTEE—1

ESTIMATES, MINISTRY OF HOUSING

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Friday, May 21, 1976

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

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FRIDAY, MAY 21, 1976

The committee met at 11:08 a.m. in committee room No. 1.

#### ESTIMATES, MINISTRY OF HOUSING (continued)

On vote 2004:

**Hon. Mr. Rhodes:** Before Mr. Cassidy starts, toward the end of our discussions on Wednesday, Mr. Hall asked for the total costs of North Pickering to date. I'd like to supply that to him with a copy to Mr. Cassidy as well.

Also there was a question from Mr. Cassidy. When I tabled some material at the close of the discussions Wednesday, I may have misinformed you—inadvertently, I assure you—about the tables I gave you which showed the interest rates. I may have led you to believe that they included the capital values. They did not. We can make that available to you; however, it's going to take us some time. We've got to dig it out of the computer and do some calculations manually and put the material together for you.

**Mr. Cassidy:** Fair enough.

**Hon. Mr. Rhodes:** Okay?

**Mr. Cassidy:** I would hope that it wouldn't be available just to me but would be available to the public.

**Hon. Mr. Rhodes:** That's what I mean. Sure. Once I put it out here, it's available to the public.

One final point: Mr. Hall had asked concerning a senior citizens' development in Grimsby, I believe?

**Mr. Hall:** Yes.

**Hon. Mr. Rhodes:** It was awarded to Johns Mitchell Development for \$937,997; \$15,377 per unit. The final drawings were submitted to OHC in April and returned to the developer on May 5, 1976, in order that a number of revisions could be made. The contract was

signed this week and construction will start within a couple of weeks.

**Mr. Hall:** After the final tender, you had drawing revisions? Is this what delayed it?

**Hon. Mr. Rhodes:** After the final tender there were drawing revisions.

**Mr. Riggs:** Mr. Chairman, to clarify that, it was a modified tendering, which are semi-complete drawings. Even when an architect completes the drawings we have to check them over and make sure they meet the Ontario Building Code. They go to municipalities and our own architectural and engineering people recheck them. We find that consulting architects working for the builders do make mistakes and we send them back for these corrections so that the final product which is included in our contract doesn't require extras. That's our point here.

So there is a back-and-forth situation when the builder completes his drawings and sends them into us, after the modified tender is awarded.

**Mr. Kerrio:** How much additional architectural work is required after the tender is awarded?

**Mr. Riggs:** The modified drawings are about 75 per cent complete. It does leave the builder the choice of design of windows, certain structural systems, like going to a roof truss or going to straight rafters, items of that nature.

**Mr. Chairman:** Does item 1 carry? Carried.

**Mr. Cassidy:** I have a number of comments to make on item 2, Mr. Chairman, and since an awful lot of this is going to be about the administration of OHC and about ways in which it could be improved and made more responsive and a number of other things like that, I'd just like to begin by pointing out that the government's commitment to affordable housing as evident through OHC is much more of a matter of rhetoric than of actual performance.



These estimates show that the vote for housing production is down by \$21 million from \$65 million that was allocated in 1975 to 1976, and I think it's down even more from what was actually spent the previous year or the year before that. There's been a steady decline in the production of Ontario Housing. The slack has not been taken up by the number of rent supplement units coming on stream.

Not only that, but thanks to the black book, it's interesting and rather concerning to note the change in emphasis within these funds which are being spent on the capital side by OHC. On page 158, when it talks about advances for projects under the OHC Act, the amount being advanced under rental housing by OHC is the magnificent sum of \$14,300,000. At round about \$18,000 to \$20,000 per unit, the funding you've put in here, if I understand it correctly, is enough to fund maybe 700 or 800 units this coming year.

There may be leverage there with federal funds, but I'm not sure how that works exactly. What is significant is that \$32,750,000 is allocated for home ownership as compared to \$14,300,000 for rental housing.

**Hon. Mr. Rhodes:** Mr. Cassidy, that figure is 10 per cent of the total; the figure as it relates to rental housing.

**Mr. Cassidy:** Okay.

**Hon. Mr. Rhodes:** Ninety per cent funding, as you well know, comes from the federal government.

**Mr. Cassidy:** Of course, I understand that, Mr. Minister.

**Hon. Mr. Rhodes:** I know. Well then, don't play games with numbers on me now.

**Mr. Cassidy:** I'm sorry, I wasn't quite sure how that worked. The point about this, though, is the emphasis. For rental housing, which is the housing directed to the lowest third of the income band in particular, you're allocating, one-third of OHC's capital participation, and for home ownership, which essentially is directed to people in the middle third of the income band, you're allocating two-thirds of your very limited capital funding commitment. That suggests misallocated priorities and suggests once again that this government has simply thrown up its hands at the question of providing housing or ensuring the housing is provided for people on low and on very modest incomes.

[11:15]

If you had a housing plan, Mr. Minister, and started to stick with it, you would be

reporting every year the way in which housing needs are changing and the way in which housing needs of people in the lowest and low-income ranges are consistently being under-achieved and, therefore, their housing situation, relatively speaking, is getting worse rather than better.

During the course of these estimates, I would like the minister to give us an updated report on the waiting list. The most recent figures I have are those that were published in the ministry's annual report for 1974-1975, and they indicate a total waiting list of 38,762 people—families and senior citizens—waiting for OHC units across the province. We know, and the minister knows, that there are many other people who are equally eligible for subsidized housing but haven't bothered to apply, mainly because they are just turned off by the process or they've heard that the waiting lists are inordinately long and therefore it isn't worth trying.

As against that 38,000 people on the waiting list, production by OHC has been declining steadily and is now, I believe, running around a level of about 4,000 units per year. In 1974, you completed 6,399, but starts were only 4,686 units, so you've had a steady decline. That means that at a rate of 4,000 or 5,000 units per year, even if we add another 1,000 or 2,000 for rent-supplement units, you are providing at a rate that might meet the need in seven or eight years if nobody at all over that period of time were to come forward and indicate that they, too, had a need for public housing.

The next thing I want to comment on is perhaps to talk a bit about some of the administrative expenditures which are reflected in the OHC figures. The minister said, when he tabled the seven books of accounts, that he hoped that would resolve the questions about OHC administrative—

**Hon. Mr. Rhodes:** Would you like me to give you those figures that you asked for concerning waiting lists at this time? I can give you the updated figures if you wish.

**Mr. Cassidy:** Yes, okay.

**Hon. Mr. Rhodes:** The latest figures we have, as of the end of March of this year, are 11,206 for family housing and 17,168 for senior citizens.

**Mr. Cassidy:** A total of 28,000. What is the anticipated production of rent-geared-to-income housing by OHC this year?



**Mr. Riggs:** Based upon financial funding of Central Mortgage and Housing Corp., and including Metro Toronto—as you know, we are assisting Metro on their subsidy this year and working closely with them in terms of staffing—senior citizens, which those figures indicate are a higher proportion at the moment in terms of the waiting list we have, and recognizing there may be people who are not on that list, there should be between 4,000 and 5,000 commitments made to senior citizen housing this year, including Metro.

In terms of families, we have received a total of 2,000 units for rent supplement, and based upon the commitments under the accelerated rental programmes of both the federal government and the provincial government, plus our regular rent supplement programme, that will produce 2,000 units, mainly for families, although there are adult buildings in that production. But it is mainly for families and we have been trying to keep it to the two- three- and four-bedroom accommodation.

**Hon. Mr. Rhodes:** Keep in mind as well, Mr. Cassidy, in considering those figures we have given you, that there is also approximately a 10 per cent turnover in the 70,000-plus units that OHC does have in the province.

**Mr. Cassidy:** Yes.

**Mr. Riggs:** In terms of our community-sponsored housing, and based on our commitments from CMHC, they are committed to a quota this year of 1,800 units, and in their case they are stressing family accommodation very strongly. Once again, there is still a fair amount of senior citizen housing coming forward in that programme.

**Mr. Cassidy:** We'll get to that on community-sponsored housing. Do you have any family housing projected for OHC this year at all?

**Mr. Riggs:** In terms of our rent supplement and in terms of our community-sponsored housing, our only family housing we can project at this point in time on the basis of sites approved or sites obtained is about 200, plus the rural and native, in which we are in partnership with Central Mortgage for 300, for a total of 500 units in a project form. Then on top of that, we are still following a 10 per cent HOME. That should produce anywhere from 300 to 400 integrated units throughout the HOME projects in Ontario. That would be our maximum.

**Mr. Cassidy:** With respect, we learned on the last day that in AHOP areas you aren't

getting any HOME because you are not making financial commitments for it. You can't get 10 per cent of those HOME for OHC if you are not doing HOME but have changed to another programme.

**Mr. Riggs:** I am talking about the HOME projects themselves.

**Mr. Cassidy:** I see.

**Mr. Riggs:** We have built between 3,000 and 4,000 HOME units a year. In projects which are suitable otherwise, not condominiums, we have picked up 10 per cent of those over the last three years, which gives us between 250 and 400 units depending upon the mix. That's our maximum.

**Mr. Cassidy:** Most of what I want to talk about was going to be about areas such as the rent scale and tenant management, the appointment of tenants to housing authority boards, the appointment of tenants to the OHC board, if I can dare to raise that, and the use of tenants to help in the maintenance and operation of OHC projects.

Before going into that, though, I have some concerns about the administrative structure of OHC and also about the administrative costs. They are not answered by the six or seven books we have here. While these six or seven books give an allocation of overhead costs, OHC director overhead, housing authority overhead and administration fees, they don't get into OHC's own overall administrative costs which, I gather, were running around \$18 million or \$19 million a year. I have to confess, having gone through the figures three or four times, between double counting and attribution of OHC administration costs to projects and stuff like that, I don't understand exactly how much you are spending on OHC administration, except it's a hell of a lot of money.

I can understand some things, for example, the fact that the rent on the building on Bloor St., if you took that and spread it over the 80,000 units that you've got on average in operation this year, then every tenant in his rent is paying \$1.30 a month for the rent for OHC headquarters on Bloor St. Mr. Riggs is shaking his head.

**Mr. Riggs:** It is not allowable cost by the federal government to be part of our budget cost in the books that were presented to the committee.

**Mr. Cassidy:** In that case then, what is allowable and what isn't allowable? Perhaps we could ask for next day, if it is possible,



for a more complete breakout of how OHC itself spends its money, what its total administration costs are and which of those costs are attributable to the projects or to the local communities. You charge roughly \$12 per room per year on an attributed OHC direct overhead. How much is being spent on housing authority overhead, which appears to be running in the range of about \$30 to \$35 per room per year? I'm not sure where that comes as well. Then there is a third item of administration fees, which is a standard heading on the project budgets. I am not clear about that as well.

Rather than go into it at length, I note with interest and some concern that Montreal Trust is now assuming a bigger and bigger role in the administration of OHC projects. I would like to have some kind of a statement about that. I see that they are partners in this Institute of Housing Management that the minister talked about quite proudly. Apparently, in parts of Metro, when people are raising complaints, their complaints are being referred beyond the OHC office to the Montreal Trust people who are managing, and that's raising concerns which I think are quite legitimate.

The figures that I have here also show OHC administration costs up by 30 per cent in one year, but I would have to look very closely to see where that figure comes. I think it's the item that is actually called "administration," and perhaps I could have an explanation of that. Perhaps, next day, the minister could also give us a statement, still in the administration area, about the questions which the member for Downsview has been raising.

**Mr. Singer:** Wilson Heights.

**Mr. Cassidy:** The gifts to OHC employees and the prosecutions that flowed from that have not resulted in prosecutions against companies which seemed to be casting bread upon the waters rather than giving gifts in return for particular favours.

I don't think the question got asked, but I would like to know if the OHC is continuing to do business with those companies or whether it has placed any restrictions on these contracts or contacts and, if so, what you're doing about it?

The next thing I want to turn to is a fairly general area of policy which the minister has hinted at and which Mr. Rose has hinted at in some of his statements, and on which, I understand, there are now studies under way within the corporation. Are you

agreeable for me to ask some of these things in the form of questions which could be answered next day?

**Hon. Mr. Rhodes:** Sure.

**Mr. Cassidy:** Okay. When Mr. Rose was up talking to CMHC the other week, I think about the LeBreton Flats project, he is quoted to me as saying: "OHC is not building any more family housing. We are getting out of it,"—which is certainly confirmed by what Mr. Riggs has just said—"except for housing in small communities and housing for senior citizens." I'm told the reaction of CMHC was to be quite shocked, and the feeling the people up there got was that the OHC was making a determined retreat from any direct involvement in the housing construction sector.

That's reflected, as well, in speeches by the minister. This is one that the minister gave at the Rotary Club of Ottawa. You didn't tell me you were going to make that, by the way.

**Hon. Mr. Rhodes:** You didn't know?

**Mr. Cassidy:** No. You popped up almost in my riding. I go into Sault Ste. Marie next week. I'll give you advance notice.

**Hon. Mr. Rhodes:** I know that.

**Mr. Cassidy:** You know that? I see.

**Hon. Mr. Rhodes:** You told me that some time back.

**Mr. Cassidy:** Did I? Okay.

**Hon. Mr. Rhodes:** We're arranging a reception and everything.

**Mr. Cassidy:** You are?

**Hon. Mr. Rhodes:** Are we ever.

**Mrs. Campbell:** Tar and feathers no doubt.

**Mr. Cassidy:** What the minister said to the Rotarians, who, I think, were probably a receptive audience was:

What I am suggesting to you today is that perhaps we've reached the point where government involvement in the housing field has reached, or maybe exceeded, the optimum level and it might well be time that we pulled back and allowed the private sector to take up the slack.

Perhaps, Mr. Minister, you would explain just how you intend the private sector to take up the slack in the field of housing for people in the lower income ranges, or



whether such things as the entry of Montreal Trust into public housing management reflect a kind of reprivatization, and whether you've adopted the kind of philosophy that Darcy McKeough has been putting forward over the past few years.

Next, in this same area, I understand that funds have been set aside now for consultants to study how OHC can get out of direct management of housing and, specifically, the idea that OHC would become more of a policy instrument and a banker like CMHC, and that somebody else, I'm not sure who that somebody else would be, would actually be involved in the direct management. I would like to have a statement on that particular subject.

Moving on, as Mr. Hall likes to say—

Hon. Mr. Rhodes: Moving right along.

Mr. Hall: I only said that once.

Mr. Cassidy: —I would like to talk about the minister's statement, which is good in parts, but at other parts I found either quite patronizing or rather self-congratulatory in terms of what the OHC has done.

[11:30]

Hon. Mr. Rhodes: Who else is there to congratulate them?

Mr. Cassidy: Maybe nobody else will.

Hon. Mr. Rhodes: You're continually kicking at us, it kind of evens it up a little.

Mr. Cassidy: Kicking? I've been showering you with praise in a manner of fashion.

Hon. Mr. Rhodes: Sure. You're not a bad lad.

Mrs. Campbell: That's what he's afraid of.

Mr. Cassidy: That's right.

Hon. Mr. Rhodes: I keep looking over my shoulder.

Mr. Cassidy: When you come to say what a great job OHC has done because back in the 1960s you gave \$6,000 to some tenant organization, that's dredging just a bit deep, don't you think?

Hon. Mr. Rhodes: No, I don't, because I feel that prior to that time there was no involvement. We were coming into a brand new area of interest and involvement. You can't start out by dumping half the budget into this particular area. OHC had to determine the effectiveness of it and how sincere the tenants were toward being involved in

this sort of thing. As the thing has grown it will continue to grow.

Mr. Cassidy: I think that's balderdash.

Hon. Mr. Rhodes: In 1960 I wasn't around and you weren't.

Mr. Cassidy: No. Let's talk about the time since you've been in the Legislature. A number of years have gone under the bridge since that time. Over that time there has never been the kind of openness on the part of OHC which would indicate to tenants that they were all welcome. There has been no particular encouragement. We've talked about the closed meetings and the closed books and the paternalistic management styles and that kind of thing and some of the material you filed the other day continues that kind of point of view. Let me give you an example.

The criteria for the phased establishment of a tenant-management agreement may be fine in terms of a business administration course in housing management from the University of Western Ontario. But to insist that a tenant association has to be incorporated as a non-profit corporation which takes time, energy and money and have a membership comprising 30 per cent of the adult resident population—I'm not sure if that means the project or the entire community of public housing tenants—before advisory committees which involve tenants can be established is a bit like putting the cart before the horse.

I really wonder whether it isn't possible, right across the province in all of the housing authorities, to begin to indicate to tenants that nominations of people who would be willing to take part in this would be welcome. The hope would clearly be that tenant associations would spring up but also you would be cutting some time off the process which can take many years if you insist on going a formal route, in which you have to have an incorporated association, before anything serious begins to happen.

The hurdles which are put in the way of tenant associations, may I say, compare badly with the red carpet treatment handed out on the management side. The Institute of Housing Management, I believe it's called, I'm sure is a praiseworthy kind of idea. I hope that in its training courses and that kind of thing it makes a point of ensuring that tenants and tenant organizations are involved in some of the training in order that management is sensitized to the people it is there to serve.

Hon. Mr. Rhodes: I'll tell you what I find difficult to put together, to totally under-



stand. What you are saying now, as I understand it, is that tenants are competent and capable—I don't disagree with that—and they can enter into these various areas of responsibility within their projects.

**Mr. Cassidy:** Would you agree that all the ministers of the cabinet have equal competence and capability?

**Hon. Mr. Rhodes:** No, please let me continue. I'm saying that I don't disagree with you that they are competent and capable enough in many areas to be involved in these areas.

**Mr. Cassidy:** Sure.

**Hon. Mr. Rhodes:** I think you agree. Yet I can recall when we were discussing the rent review legislation you continually got up and told us how incompetent they were; how easily they were intimidated; and how we should be having all sorts of very binding controls over the landlords because of those poor innocent tenants who had no knowledge. Sometime I'd like to read back to you from Hansard all the things you said to me at the time about how I should be doing more to protect those tenants who were not—I'm paraphrasing, I'm not using the exact words—capable of doing these things themselves. Now you come here and tell me about how capable they are. I think they are capable. I thought they were capable at that time but you switch around from one horse to the other.

**Mr. Cassidy:** No, not really.

**Hon. Mr. Rhodes:** Sure you do.

**Mr. Cassidy:** Let me give you an example in a different sector. From knocking on doors in my riding I have run into a couple of ladies in their fifties or sixties who are competent, capable people; widows with probably an estate of a couple of hundred thousand dollars—a substantial income—clearly capable of making those kinds of decisions and getting themselves down to Florida in the winter and all that kind of stuff; capable letter writers and that sort of thing, but scared to death of the landlord and not willing to lift a finger to contest an illegal rent increase which is maybe \$40 or \$50 higher than what the law allowed.

**Hon. Mr. Rhodes:** They have probably got a good lawyer handling their estates.

**Mr. Cassidy:** Maybe. But those are people who have all sorts of resources at their disposal and skills at their disposal in a way that tenants don't have. Potentially they are capable, competent kinds of people but they can be easily intimidated as well, particularly

when you have a policy of divide and rule. The two are not inconsistent. They are two facets of the same reality.

In your statement on page 2 you say that you would like to review the establishment of the Institute of Housing Management. Its establishment was spearheaded by the staff of Ontario Housing Corp., plus having the active support of property management groups in the private sector. The director of housing operations for Ontario of OHC chaired the steering committee which established this particular institute.

It's a perfectly reasonable kind of thing to happen. It happens in the municipal field and the political field and other fields. Somebody who has an interest takes some of his own private time and some of his 9 to 5 time in order to get something like this going. I am sure there will be positive results arising from it. Nobody raises any questions about it particularly.

The question I would raise, though, is that you didn't insist before Mr. Stimpson could get involved in the Institute of Housing Management that it be incorporated as a non-profit corporation, have a formal constitution and have a membership comprised of a minimum of 30 per cent of the housing managers across the province. Nor did you insist that they walk at a certain pace for a full year before they could enter phase 2 and acquire more responsibilities. It wasn't required.

Let me give you another example. I have a card here from Mr. Hambly.

**Hon. Mr. Rhodes:** The institute is a corporation.

**Mr. Cassidy:** But it was incorporated after the steering committee, led by one of your staff—a \$25,000-a-year man—spent some time to ensure it got itself incorporated.

**Hon. Mr. Rhodes:** But what you are discussing, and I think in rather a negative attitude, which surprises me a bit, is guidelines that aren't hard and fast. We will be going back to FOTA and discussing those things with them. We haven't laid this down and said this is how it shall be. These are points for discussion.

**Mr. Cassidy:** I think you had better. I am making representations to you.

**Hon. Mr. Rhodes:** You are making representations based upon your knowing exactly what we are going to do. I am not going to allow you to sit here and to make everybody believe that—



**Mr. Cassidy:** But these are the guidelines.

**Hon. Mr. Rhodes:** —Michael Cassidy, the great white father, is leading us into glory. It's not the truth. You are following, my friend.

**Mr. Cassidy:** I must say, it is very interesting that, since the tenants started to press and since the NDP started to press, there has been more change in the attitude of OHC, and perhaps since you came into the office as well. It wasn't happening before. It wasn't happening at all. I would suggest to you, if there wasn't this pressure on you, that it might not be happening now.

**Hon. Mr. Rhodes:** You'd like to have a tenant association in every block in every town which would be a hard-core New Democratic Party association funded by the government.

**Mr. Cassidy:** That's a kind of paranoia.

**Hon. Mr. Rhodes:** That's not paranoia at all. We watch it developing along.

**Mr. Cassidy:** I think that tenant associations should exist. If you want to drive them into the laps of the NDP, so be it. We won't say no.

Interjections.

**Mr. Cassidy:** The Association of Housing Authorities of Ontario is a body which is effectively financed by OHC through the local housing authorities. I would like to ask the minister or the minister's people to find out for next day what is the budget of the Association of Housing Authorities of Ontario, how much of that budget is met by fees from the local housing authorities, what the basis of that is and what the constituency is. As I understand it, the membership of the association basically is the six or seven directors from each of the local housing authorities.

I would be interested overall to calculate how much Ontario Housing is spending per head for the directors of the housing authorities to be members of that association, because that, too, reflects the kind of one-sided point of view on the part of the corporation. On the one hand, this association has been in operation for a number of years. It holds conventions. At the conventions the directors turn out en masse. Their airfare and that kind of stuff is paid for, presumably by the housing authorities and therefore ultimately by the Ontario taxpayer, because that adds to the total amount of subsidies that have to be paid.

On the other hand, when you get to tenant management and to tenant organization—let's

just turn to page 18 here—you are providing nickels and dimes to that particular group up until 1975, when you provided an amount equal to \$66,000 in the current fiscal year. How many years was the Association of Housing Authorities of Ontario being funded, and at what level, prior to that?

To come back to this document, and the rather paternalistic tone that it suggests, if you are going to negotiate with FOTA, that's fine. It seems to me that some of the initial stages of getting tenants involved should not require an incorporated tenant association, and it seems to me that the areas of responsibility which are being talked about are extraordinarily limited. The minister himself has said, during the course of this particular statement here, that he is going to send a letter to the housing authorities to suggest to them that they involve tenants in looking over the preparation of their budgets. That is desirable, I agree with that, but that is not covered in any of the tenant management stuff here.

**Hon. Mr. Rhodes:** Wouldn't you think there is some good sound reason to ask for incorporation when this particular group of tenants, or the association, is going to be entering into agreements with Ontario Housing Corp., with the government if you will, and will be having moneys handed over to it for the purposes of carrying out its responsibilities? It seems to me that there is a lot of logic and a lot of good sense in having them incorporated and giving them some status, and to have some strength to that association and be binding in their agreements. To just take a group of people, any given group of people who sit down, select themselves, and hand over public funds to them and a management responsibility, they have to be accountable somehow, and it seems to me the accountability there is to that incorporated group that they have, and asking them to be bound by agreements that will be signed—

**Mr. Cassidy:** I'm suggesting to you, Mr. Minister, that in order to have a bunch of tenants sit down to talk about local housing authority budget, or in order to put tenants on to a board and things like that, you don't need incorporation for that purpose.

**Hon. Mr. Rhodes:** Exactly, and we would agree that they don't have to be incorporated for that; we are talking about those who enter into management agreements.

**Mr. Cassidy:** In the second place, if you are at all familiar, as I think you are, with the local community associations, they tend



to be rather flexible and informal and so they should be. If that is the case among local residents, I don't see why that shouldn't be the case with tenant associations as well. What you are probably leaning toward or moving toward is maybe a situation where the tenant association in each community is not incorporated and doesn't have to go through this enormous hassle, but in the larger municipalities maybe your city-wide tenant federation, which is a federation of groups from the local communities, might be an incorporated body in order to be able to bear the particular responsibilities of which you talk. Or, in cases like Regent Park, where you have a large community and major responsibilities being passed to a tenant association, then it seems to me it would make sense to talk about incorporation.

The problem with the guidelines is that the incorporation is being put as the very first requirement, so three tenants come in to talk to the general manager of the local housing authority, who may have sort of an anti-tenant stance to begin with, and the first thing he says—

[11:45]

**Hon. Mr. Rhodes:** We're only talking about those cases where there is a management function involved. That's all we're talking about—and requests from them to be participating.

**Mr. Cassidy:** But these housing authority directors and housing authority managers won't understand that distinction—at least on past performance they won't.

**Hon. Mr. Rhodes:** Now you're telling me that the managers and the directors aren't intelligent enough to know what's being said. You have a funny attitude today.

**Mr. Kerrio:** I think he's desperate.

**Hon. Mr. Rhodes:** I want to touch on one thing you did mention. You mentioned the funding of the Association of Housing Authorities of Ontario. Last year, that funding came out to \$84,690. But \$99,000 was the amount of money we gave to FOTA.

**Mr. Cassidy:** You committed that amount to FOTA, of which \$33,000 was given last year and \$66,000 is to be given the coming year.

**Mr. Riggs:** Mr. Chairman, to clarify that, the province and the federal government committed \$99,000 last year. The province paid it immediately. The federal government, because of its regulations, was delayed and that fund

was paid at the first of this year but it related to the 1975-1976 commitment for funding for FOTA.

**Mr. Cassidy:** Was there any delay in paying the money to the Association of Housing Authorities?

**Mr. Riggs:** In that case, the regulations of both governments were straightforward and the money was paid.

**Mr. Cassidy:** It's worth noting that the housing authorities' association got its money with no hassle. The tenants got theirs at the end of the fiscal year.

**Hon. Mr. Rhodes:** You really are digging.

**Mr. Cassidy:** No, I'm not. How many years have the housing authorities been funded on a major scale?

**Hon. Mr. Rhodes:** That's exactly the point, isn't it? That's probably the reason they got the money as Mr. Riggs has said. The regulations as they relate to the funding of the Association of Housing Authorities are there; they are in place and can be followed. The FOTA thing was something coming along and growing.

**Mr. Cassidy:** It was coming along but, on the other hand, in the past the Ontario government, to put it mildly, did not bust its bottom in order to ensure that there was any kind of comparability in the funding. There's no comparability now. How many people are members of the Association of Housing Authorities? It's about 300, isn't it?

**Hon. Mr. Rhodes:** I have no idea.

**Mr. Riggs:** I think under their constitution anyone can be a member and many people are. The actual housing authority members who serve on housing authority boards are about 300 or 350 at this present time.

**Mr. Cassidy:** Let's suppose there are 500 members overall, for the sake of argument. If that's the case, the funding to the Association of Housing Authorities is equivalent to about \$150 or \$180 for each one of the people who is a member; whereas the funding which has just begun to the Federation of Tenants Associations is equivalent to \$1.25 for every tenant. There are 80,000 housing units and \$85,000 or \$90,000.

**Hon. Mr. Rhodes:** On a unit basis it works out to about the same.

**Mr. Cassidy:** Except that the Federation of Tenants Associations has to relate to all those



80,000 tenants whereas the Association of Housing Authorities has only got to relate to its constituency of 300 directors or 41 housing authorities or whatever.

The Federation of Tenants Associations represents all tenants or at least speaks for tenants in all OHC projects across the province, which is about 80,000 units. The Association of Housing Authorities doesn't cover the direct management units in quite the same way and therefore I'm making the argument that it represents only about 40,000 or 45,000 units across the province.

All of these are rhetorical points simply to show that there is certainly no comparability. You have leaned over to be obliging and help the management side of the equation whereas there's been a lot of obstacles put in the way of the tenants' side.

The next thing is this: According to what is said here, a matched dollar formula is proposed as far as the tenants are concerned, with \$20 a unit from all government sources being talked about. In subsequent years a diminishing formula would be applied to maintain tenant incentive and initiative in fund-raising endeavours.

Bear in mind that the average income of families in OHC family housing is running around about \$6,000 a year. I would like to know what kind of fund-raising the minister has got in mind, and whether there is any matched dollar formula, or diminishing formula, which is being applied to the association of housing authorities across the province? I would suggest the answer is no, as far as the management side.

I would be interested, because I don't know the answer, as to whether the minister is open to the proposals that tenants should be able to commit a certain amount of extra dough on their monthly rent in order to fund local tenant associations. If the majority of them vote for it, then it becomes a checkoff. Or is the minister proposing that the fund-raising to be carried out by the tenant associations take the form of bazaars, collections, soup kitchens and apple days?

**Mrs. Campbell:** Fairs, and all sort of things.

**Hon. Mr. Rhodes:** These are points that we're discussing with the associations.

**Mr. Cassidy:** Let me make a representation again to the minister, that if you think it's desirable for there to be an Institute of Housing Management, where the fee for each member will presumably be paid by their employer, which are the housing authorities in many cases; if you think it's desirable for

an Association of Housing Authorities, whose funding effectively comes completely from federal-provincial and municipal funding, then I would urge you to reconsider a situation where you may be asking the tenants to fund from outside sources, or to fund by passing the hat, when you don't do that for anybody else.

Tenant organizations have talked about a checkoff where—on a project-by-project basis, or on a community-by-community basis—if tenants agree, they could pay an extra 50 cents a month on their rent, or something like that, and direct that into tenant organizations, which would then divide the money among the local, provincial and federal levels.

It seems to me that may be a reasonable route to take. If you're going to match, you may say: "We'll match dollar for dollar with every dollar that the tenants are willing to commit out of their monthly rent." But to suggest they've got to pass the hat is simply unworkable.

**Hon. Mr. Rhodes:** Look, you know and I know that there are many associations of various types across this province that the government is involved in, somehow or another, with funding—in all of the various ministries. We don't fund the individual members of that association. We fund the association. It may not be 100 per cent of the cost. In many cases it's a long way from 100 per cent. We don't run around and say to Ontario municipal associations: "How many members do you have, so we can determine what the money is going to be?" We don't count the members; we count the associations in the municipalities. Because, God, some of them have every clerk and treasurer, and what have you, who are members. You don't fund it in that way. I don't understand your philosophy. It's like having half a bottle of beer and saying, "My bottle is half empty"—rather than being half full. You're continually on the empty side.

**Mr. Cassidy:** Do you mean I should be grateful on behalf of the tenants for the fact you're doing something?

**Hon. Mr. Rhodes:** I think you should be appreciative of the fact that where there was very little, it is improving. It is growing, and it is getting better all the time. You continually harp upon the negative side of the thing. I think there are a great many positive things. Life must be terrible, looking at it from your viewpoint.

**Mr. Cassidy:** Let me talk positively then, Mr. Minister. You talk to me about wall-to-



wall tenant associations, or some phrase like that. Philosophically, I have a commitment to a society where the sense of community is rediscovered.

**Hon. Mr. Rhodes:** With "King" Cassidy!

**Mr. Cassidy:** What? No, with people in their block, in their neighbourhood, in their public housing community, whatever, having more and more of a say over their own lives—and they all co-operate and work together.

**Hon. Mr. Rhodes:** You're also of the philosophy that the only housing there would be in the Province of Ontario would be public housing.

**Mr. Cassidy:** No, that's not true. You haven't listened very carefully.

**Hon. Mr. Rhodes:** I intend to read back some things to you later on.

**Mr. Cassidy:** Okay, sir.

**Mr. Johnson:** Why don't you two fellows meet after we're through and talk for a couple of hours?

**Hon. Mr. Rhodes:** No, we're having fun.

**Mr. Cassidy:** We may do that, too. I'll buy the minister dinner after the estimates are over, okay?

**Hon. Mr. Rhodes:** All right.

**Mr. Shore:** How long is your opening statement?

**Mr. Cassidy:** The minister keeps interrupting.

**Mr. Shore:** Assuming he won't do any major interrupting, how long will it be? I'll multiply it by three and get a better idea.

**Mr. Cassidy:** Mr. Minister, just to comment further on parts of your statement, I think that Ontario needs to take the initiative on the question of tenant management. I think as well that you have real problems, which are reflected in these guidelines, with CMHC. If there are problems with OHC, they pale almost by comparison with CMHC. I see Mr. Riggs nodding his head. And God save us if Ontario isn't competent to develop guidelines and handle things with its own tenants. I don't know what province across Canada is. That's almost a compliment.

**Hon. Mr. Rhodes:** Don't you really feel, though, if we are talking about the federal agency, Central Mortgage and Housing, contributing 90 per cent of the money towards

those projects, that we owe them at least the courtesy of paying some attention to what they have got to say?

**Mr. Cassidy:** What bothers me is that they come in with a heavy hand when what's at stake is not the financial implications but just the management style. It seems to me that they probably exacerbate the worst tendencies of OHC and stifle the best, or that your best talents are engaged in negotiating with CMHC rather than worrying about what Ontario is up to.

**Hon. Mr. Rhodes:** The record should show that Mr. Cassidy feels that OHC is doing a tremendously fine job in comparison to CMHC.

**Mr. Cassidy:** Mr. Minister, you said in your statement that you were going to write a letter to the housing authority boards, urging them to make parts of their meetings open. I would like you to make that much tougher. Certainly there are one or two areas which relate to the management or decision-making about specific tenants—evictions or, in certain cases, applications—which cannot be made public for obvious reasons, but it seems to me the rule should be that housing authority board meetings are open unless there are compelling reasons for them to be closed. I would urge you to make that your plea—in fact, your direction—to the housing authorities rather than simply a statement of pious intent.

**Hon. Mr. Rhodes:** That's exactly what I intend to say to them. Those portions of the meeting dealing with tenant affairs, where they are discussing somebody who is going to be evicted or something along those lines, should not be public; I think confidentiality is required there. If they are discussing the preparation of tenders or that sort of thing, I think that should be done with some confidentiality, although the opening of them obviously should be public. But that's exactly what we are saying: Aside from those times when confidentiality is required, the meetings should be open.

**Mr. Cassidy:** Okay; that's good. The next question is about tenants on the board. I hadn't realized that Stratford and Sudbury had acquired tenants on their board last year, and so I amend any speeches I may have made in the interim saying there was only three housing authorities with tenants on the board. There are now five, with Kingston on the way. It is significant, though, that in



almost all of those cases, they were municipal appointees.

**Hon. Mr. Rhodes:** Not in Kingston.

**Mr. Cassidy:** The statement you gave said that the appointments were generally lost in the sands of time.

**Hon. Mr. Rhodes:** The Kingston appointment is provincial.

**Mr. Cassidy:** That is provincial, eh? Okay, but that is the first appointment which is specifically provincial—and there are 41 boards across the province.

**Hon. Mr. Rhodes:** Somebody has got to be first.

**Mr. Cassidy:** I congratulate you on beginning. I just suggest that you keep it up. But also you should look at the structure of the boards. Is six or seven people enough? In fact, if there is going to be a significant tenant involvement in the boards of housing authorities, it might make sense to increase that by one or two in order to allow the very quick addition of, say, at least two tenants to every housing authority board across the province. I would like to suggest something like that to you, Mr. Minister. When you reply, I would like to hear your response as to why the OHC board has not ever, I think, had an Ontario Housing tenant on its board and what you are going to do about it.

**Hon. Mr. Rhodes:** Well, I will tell you, I am not too convinced that's such a good idea.

**Mr. Cassidy:** Your Conservatism comes to the fore.

**Hon. Mr. Rhodes:** No, not at all. Is it really practical to have a tenant, who is actually living in the facilities, dealing with some of the matters the board must deal with, which are again dealing with tenants?

**Mr. Cassidy:** If it is practical in Kingston—

**Hon. Mr. Rhodes:** I am talking about the board itself, which deals with a lot of matters that—perhaps it is my Conservatism that's coming out.

[12:00]

**Mr. Cassidy:** Maybe it is.

Is it practical to have people on the board of Ontario Housing who may also be suppliers or who have in the past been contractors working on Ontario Housing projects? You have allowed that to go ahead in the past.

I don't want to pull out demons here but there are certainly people who have been in-

volved in the contracting business and who have worked on OHC projects who have also been represented on the OHC board.

**Hon. Mr. Rhodes:** They may have been involved prior to being members of the board and I certainly stand to be corrected on that. I don't think anyone, while they have been a member of the board, has ever been involved in anything that dealt with OHC business.

**Mr. Cassidy:** I don't want to make any allegations there. There are conflict of interest rules which govern that though and, clearly, if the OHC board happened to focus on a particular community where one of its directors happened to be living, then the conflict of interest rules would apply and that director would have to shut up or get out of the meeting while that particular point was being considered.

**Hon. Mr. Rhodes:** If you use the conflict of interest theory you could never have a tenant on the OHC board.

**Mr. Cassidy:** And you could never have anybody who has any kind of an investment portfolio because of the fact that some of the shares that they have will be for companies that do business with OHC.

**Hon. Mr. Rhodes:** We are certainly narrowing down the field aren't we?

**Mr. Cassidy:** We are. Yes.

Mr. Minister, on the area of administration, I want to talk and make representations about the point system. I have written letters about this and made a number of other representations. I will continue them publicly here.

The specific thing that we are finding in Ottawa in particular is that the point system fails to accommodate the neighbourhood attachments of people who are applying for public housing. I would argue, other things being equal or fairly equal, that that kind of preference should apply.

In other words, if someone has lived in a particular end of town and they are applying and their application is near the top, then other things being equal or nearly equal, they should get a certain amount of extra points that would tip the balance and allow them to go in over the person who comes from the other end of town.

Since no point system can be entirely accurate, I would suggest that there is a range of uncertainty. If you have two people, say, one with 40 points and one with 44 points, you can't tell me that the person with 44 points is in all cases going to be more needy of housing than the person with 40.



You can say if one person has 35 and another has 45 that clearly it goes to the person with 45 points, but within a range of say four or five points, you are into a judgement call and I suggest that the judgement call should be influenced by the allocation of a certain number of points in order to reflect that neighbourhood connection.

Since everybody lives in a particular end of town, it is not going to prejudice anybody overall. It is going to influence how housing is allocated.

I have been met with adamant refusals over this by the federal minister, by you and by the local housing authority. However, the local housing authority has recently made one change in policy. In the past it used to knock people off the list after three refusals, even if the refusals were all 10 miles away from where the applicant had traditionally lived. It now is saying that it will not knock them off the list unless there are two refusals from the area of their choice; the city has been divided into four or five areas.

That is an approach to what I am suggesting, and presumably the area of choice is going to be the area where those people have tended to live, although that also means that people may be able to stay on the list for a long time, even if they don't have that particular attachment to the neighbourhood, but just want to—

**Hon. Mr. Rhodes:** My experience in many cases has been that the housing authorities do in fact attempt to keep community in mind. In my own community—and I have a great respect for the people that are on that authority—I know of instances where one of the factors that decided on their tenancy was the neighbourhood—the fact that they could live in the particular area of the community where they had lived before and to not dislocate them as much.

**Mr. Cassidy:** That is not a part of the point rating system for families whose—

**Hon. Mr. Rhodes:** Oh no, it is not part of the system, but it is applied by many housing authorities within their own area of discretion.

**Mr. Cassidy:** In practice, if other things are equal, for example, then they may bear that in mind, but boy, they get pretty tough and you find it pretty aggravating at times when a person who has lived in town for a year or two and has no particular connection with say Centre Town, Ottawa, which is my stamping ground, waltzes into a senior citizen housing unit while somebody who has lived

in that neighbourhood for all his life, never has lived outside of the neighbourhood, is offered a choice of two projects right on the edge of town and nothing else, and then gets bumped from the list, because they reject a third.

That's really aggravating, Mr. Minister, and it obviously undermines to some extent the respect for the programme and the support for the programme among the people who are benefiting from it.

The next point I want to make is that the housing authorities, because of their business bias, have tended at times to knock people out on the grounds of having an inadequate credit rating, and sometimes particular families acquire an inadequate credit rating because of the fact that they are paying 40 or 45 per cent of their income in rent and simply cannot afford the other necessities of life and, therefore, their purchase bills don't get paid and other things go awry. Then they go to the housing authority and find out that their points are high but they can't get in because they have got a lousy credit rating. There were some serious problems about that, which once again I suppose will be studied by this Institute of Housing Management.

Third, the Ottawa experience may or may not be typical but the access to information on the part of applicants is very limited. One of the things that my office has been doing for the last four or five years has simply been providing a service to applicants for public housing, which they could not get from—

**Hon. Mr. Rhodes:** What type of information?

**Mr. Cassidy:** Somebody calls up the housing authority, say he is anxious: "I want to know what my situation is." They can't tell you. We happen to have an exceptionally good fellow, Mr. Thibeault, who is responsible for tenant placement and if they come in and see him, he will explain it to them. It's often the case when they come to us that the facts may even have been explained to them but they want to know again.

I think that the tenant's point rating should be accessible to him as a matter of course. Mr. Riggs is nodding his head, but it has not been the practice in many housing authorities.

**Hon. Mr. Rhodes:** You mean that particular applicant should be aware of what his point rating is?

**Mr. Cassidy:** Yes.



**Hon. Mr. Rhodes:** I agree 100 per cent.

**Mr. Cassidy:** Okay; and secondly, I think the applicant should be able to determine for himself or herself how they stand, by means of a publication every month or two of how the point ratings are in general.

**Hon. Mr. Rhodes:** All you can really do in that case, as I think you are aware, is that the situation can change very quickly. You can be fourth on the list today and you can be seventh on the list tomorrow because of the applications that come in based on need, so it is very difficult. I've run into the same problem where people are saying, "Why is it I was told that I was third on the list to get a unit and I know that the units have come up and I haven't been called?" Somebody came along in worse need.

**Mr. Cassidy:** Okay, the next thing I want to say is that there should probably be some kind of an information booklet or something like that, which is put out either by OHC or by the local housing authorities, in order to explain to applicants how the system works. I don't believe that that exists right now.

**Hon. Mr. Rhodes:** I think that information should be made available to the applicant. The one thing that I am completely opposed to and would never ever want to see happen, and I have had many requests for this—

**Mr. Cassidy:** Is the names.

**Hon. Mr. Rhodes:** —is the people wanting to see what the point ratings are for people when allocations are made, and I just don't believe that is anybody else's business. I don't think I should know what your circumstances are and you shouldn't know what mine are.

**Mr. Cassidy:** No. I believe what you need on senior citizen housing is that there are so many people in the range of 60-65 points, so many at 55-60 and that kind of thing. Then people can get a general idea of whether they are high or low and that is what they can't get right now.

**Hon. Mr. Rhodes:** I have had senior citizens clubs coming in and demanding to see the list of points, what the points are and what the standings are. I don't think they should do that.

**Mr. Cassidy:** The way to give legitimacy to that—people don't trust the housing authorities because they don't have tenants on them and because they are strange, remote bodies; they don't meet in public and that kind of thing—the way to give more credibility to the

allocation process is to say, "There are a couple of people there who are tenants themselves and who are involved in ensuring that the system is honest and fair." And there is a range of the community represented, including tenants. It seems to me that would help to resolve that particular problem.

The next thing which relates to management are problems we are having in senior citizen housing and, perhaps, generally, with lock-out fees which you may want to talk about. I think that enters into the area of tenant management as well. In MacLaren Towers, which is a senior citizen building in my area, the CUPE contract—actually recently negotiated—means that the resident janitor has no obligations, no duties, after 4 or 5 o'clock in the afternoon. There is a roving security patrol and if any crisis occurs the residents have been told to call the police.

**Hon. Mr. Rhodes:** Do you object to that?

**Mr. Cassidy:** Yes.

**Hon. Mr. Rhodes:** Please explain to me the difference. If I am a tenant in an Ontario Housing project on one side of the street and on the other side of the street is a privately-owned apartment building—same type of people living on both sides—why in the world should the people living in the OHC have a private security army while across the street you have to call the city police? Can you tell me the difference?

**Mr. Cassidy:** Let me give you an instance of the kind of thing people talked about. If a fellow on the 15th floor has some kind of a stroke or an attack or something like that, what do you do?

**Hon. Mr. Rhodes:** The same thing as they do across the road. Call a doctor and hope somebody sees you and helps you.

**Mr. Cassidy:** If you are in a private building you can actually call the superintendent as well. But there is no superintendent on the scene; you have to wait until the roving security patrol comes along and lets you into that particular unit.

**Hon. Mr. Rhodes:** We'll pay the call out if they call a person out.

**Mr. Cassidy:** There's a real block put in there. What I would suggest is very simple. If it's a 200-unit apartment, it's a bit difficult to say, "Everybody can simply neighbour everybody else." There has to be somebody with the formal authority to open doors and call emergency people and so on but I see



no reason that can't be done by tenants themselves. Quite likely in many of those buildings you have somebody who worked in security when they were younger, anyway so why can't a tenant be responsible for having keys and for being a trouble shooter in the hours when the janitor is not on duty?

**Hon. Mr. Rhodes:** I think you will find that the tenant associations don't want that. They don't want that responsibility. If I was living in one of the projects, in one of the units, for example, in a lock-out situation—you and I have discussed this briefly—you suggested it was a good idea that the tenants could be able to take care of letting people in. I'll tell you, I don't know whether I would totally trust all the tenants in the building or whether I would give somebody a key to get in and out of my apartment at their will. No thanks. I don't really want that.

**Mr. Cassidy:** The tenants might say, "We don't want to run it ourselves but we are quite happy if you hire somebody who lives in the building in order to handle that."

**Hon. Mr. Rhodes:** Sure.

**Mr. Cassidy:** What's wrong with that?

**Hon. Mr. Rhodes:** We do and we have—

**Mr. Cassidy:** Hire a resident in the building?

**Hon. Mr. Rhodes:** Hire one of the tenants in the building?

**Mr. Cassidy:** Sure.

**Hon. Mr. Rhodes:** We'd like to look at it but remember we have a collective agreement with the employees and I am sure you would not want us to break that collective agreement.

**Mr. Cassidy:** What I would like to see is this—I made a note to myself. I haven't had the chance to sit down with the CUPE people to talk with them but I think there are some problems emerging in the conflict between a collective agreement designed to give fair working conditions to the people who work for OHC on the one hand and the desirability of having tenants more involved in the management and running of their own lives. I would like to sit down with my friends in CUPE and talk with them to see how far they have come to grips with those particular problems, because I think there are some very real problems.

[12:15]

**Hon. Mr. Rhodes:** If I locked myself out of my house, I have got two ways of getting in. I break the lock or I break a window. Should I be able to call somebody to come and open my door for me and let me in?

**Mr. Cassidy:** If I am in an apartment and I lock myself out, I go to the superintendent and he lets me in. That is part of the service which is provided. I am not quite sure why that service is provided if it is a private building.

**Hon. Mr. Rhodes:** I venture to say that superintendent is not being paid \$25 for coming out to unlock your door.

**Mr. Cassidy:** No, in fact he is probably being grossly underpaid, given the way in which the apartment superintendents are dealt with.

I want to suggest to you—and this is in the area of tenant management as well and the accounts have helped me in this—that when we start to look, as now we will be able to, in more detail at the way in which administration and other costs are distributed, these project budgets I think are going to be very interesting and maybe even of concern to the people. I realize in publishing them that it cuts both ways because it will lend support to some people who are going to say public housing is so expensive we can't have any more of it.

What are the figures here? Take Bellevue Manor, a typical large project in Ottawa, with rents averaging about \$1,400 a year or \$118 a month, costs on units ranging from two to five bedrooms averaging about \$320 a month, incomes running around an average of \$5,800 per annum or a third of the level at which you reach the 33 per cent centile, very low in relation to family incomes these days and subsidies running at about \$202 per unit per month. That is substantial. The subsidies on senior citizen housing are, relatively speaking, even more substantial, running at about \$150 or \$160 per unit per month, which is very high. We are going to have some discussions about that or people may start to take potshots at OHC because of that. I don't, because I think it has to be recognized that the costs of housing in the private sector are very high as well. There are a lot of people who simply can't afford those costs and we have got to come to grips with them in one way or another.

What interested me, in the case of Bellevue Manor, which I take as an example for other parts of the province as well, was that work-



ing on an average unit basis—they took the number of the rooms and multiplied them by 4.8 or whatever the average was—zilch is spent. I think \$1 a year per unit is spent in Bellevue Manor on the operating or capital expenditures for social or recreation purposes. There is also nothing going at all to the area of tenant involvement or tenant management.

That compares with \$250 per unit per year for caretaking wages; \$78 per unit per year for grounds operating wages; \$96 per unit per year for security; \$135 per unit per year for wages for building maintenance; \$110 per year for painting, which is mainly for labour, and \$240 per unit per year for unspecified modernization and improvements. That's a total of \$910, or \$75 per month. Then, in addition, you have administration fees of \$58 per unit, \$116 per unit for Ottawa Housing Authority overhead and \$58 per unit per year for direct OHC overheads for a total of \$232 or almost \$20 per month for administration and overheads.

The overall total of wages spent on site and of administration costs is \$1,142, or just under half of the deficit for each of those units, which is only \$250 short of the total rent or, if it was added on to the income of the people there, it would be equal to an extra 20 per cent on top of their existing average incomes.

I want to suggest to the minister that the income flows in OHC communities be analysed and looked at fairly closely to see whether more of the things that are done in those communities could not be done by the tenants for themselves so that instead of the money being spent on their behalf it is spent with their participation. Instead of the money sort of trickling through and trickling out, they achieve a direct benefit from it, and in the process we achieve a benefit in terms of more tenant involvement and lower subsidy costs.

I have suggested before the nature of OHC tenants is changing, and perhaps they are more capable now than in the past of handling those kinds of responsibilities.

**Hon. Mr. Rhodes:** I think you will recall the statement I made the last day when I pointed out what was happening in Regent Park; we are putting in \$219,000 into just that very area.

**Mr. Cassidy:** Right, but now I haven't got the Regent Park book here. There are about 4,000 or 5,000 units in Regent Park?

**Mr. Riggs:** There are a little over 2,000 units at Regent Park; north and south.

**Mr. Cassidy:** So if the figures compare then you are spending about \$100 per unit through the tenants, which is about eight per cent or nine per cent of the total amount being spent per tenant in areas which are wage-related or administration-related as opposed to areas like taxes, amortization, and other areas which are unavoidable.

I put that forward as a philosophical point to look at, Mr. Minister. I think there may be tremendous openings available for tenants to do far more things for themselves in public housing communities than in the past. I recognize that for philosophical reasons and for financial reasons this ministry is moving more and more towards ownership and away from rental. One of the reasons you are moving from rental is because the high administration costs in rental management are taken up by the homeowner who does things for himself, and maybe we can try and see whether the tenants can't do more things for themselves as well.

**Hon. Mr. Rhodes:** Maybe then you can be of some assistance to OHC. Eh?

**Mr. Cassidy:** Yes.

**Hon. Mr. Rhodes:** Rather than being totally critical you might be of some assistance. We have a jurisdictional problem as it relates to our dealings with CUPE; in just such things as putting in shrubbery, planting shrubs.

**Mr. Cassidy:** Right.

**Hon. Mr. Rhodes:** We start letting the tenants do that for themselves—maybe there could be a crackerjack of a gardener there who would just love to do that.

**Mr. Cassidy:** Sure.

**Hon. Mr. Rhodes:** But they have a little talk with Mr. Roach and see what his attitude is about that. That is a job that is assigned to the CUPE people and, by golly, they are going to do it. It is job security—

**Mr. Cassidy:** Sure.

**Hon. Mr. Rhodes:** —and if you look at their side of the story they see their membership losing jobs.

**Mr. Cassidy:** I will, because I am sure that with the turnover in maintenance staff you experience that. The protection of job security for anybody who now works under the CUPE contract is no problem.

**Hon. Mr. Rhodes:** You also must remember that it is the future jobs they are concerned with too.



**Mr. Cassidy:** I realize that.

**Hon. Mr. Rhodes:** When you start to bring a new project on they anticipate that there will be employment for their members and for future members, and if we start to get away from that we are going to get into real difficulty, and you know that full well.

**Mr. Cassidy:** CUPE is a very progressive and socially responsible union, and I don't know whether the ministry has ever talked with them in the kinds of terms that I am talking about.

As far as the tenants are concerned if it is a choice between spending a couple of hundred thousand bucks at Bellevue Manor on all of these areas of maintenance, groundskeeping, security and that kind of thing, and \$500 on social and recreational kinds of things, or finding ways to do those maintenance things more effectively so they can free up \$25,000 for social and recreational things, it is pretty clear that they are going to change their priorities. But they can't do it right now because it is all being done to them rather than by them.

**Hon. Mr. Rhodes:** By the way, our turnover in our maintenance people is about three per cent.

**Mr. Cassidy:** Three per cent? Is it that low?

**Hon. Mr. Rhodes:** I am talking about Metro now.

**Mr. Riggs:** Our contract with the province is too new to have obtained an experience rating. But in Metro where we have had at least 10 years it averages about three per cent per year.

**Mr. Cassidy:** Three per cent per year. Even that over a period of five years would permit a substantial transfer of responsibilities without impinging on job security.

**Hon. Mr. Rhodes:** That is what CUPE is concerned about. Three per cent per year; eventually there is nobody there.

**Mr. Cassidy:** One thing I'm concerned about, of course, is the fact that since OHC isn't building any more housing, the units they serve, the constituents they serve, aren't expanding in any way. I will talk with them, and if the minister would like to sit down at some point with me after my preliminary discussions to talk with them as well, perhaps we can do it jointly.

**Hon. Mr. Rhodes:** I would be quite happy to.

**Mr. Cassidy:** Okay.

**Hon. Mr. Rhodes:** That would be a most interesting discussion.

**Mr. Cassidy:** That would be very interesting.

**Hon. Mr. Rhodes:** I'd be on the side of the angels, so you've got a problem.

**Mr. Cassidy:** Mr. Minister, I want to turn now to the question of the rent scale. I'm glad that you opened a discussion on that.

One other point that I wanted to raise was about the senior citizens, who have specific grievances. They're paying \$52 per unit for insurance for the contents of the whole apartment. That's a lot of money for senior citizens, and I wonder whether the time is coming that the OHC can't negotiate a blanket contract—if you want to leave it out in the private sector—to which anybody who wishes to have contents insurance, whether it's in family housing or senior citizen housing, twice a year somebody will be down there in the lobby and they can sign up. You could probably cut the cost in half if you did that. It's crazy right now that they're required to insure their contents to a minimum of \$4,000, \$5,000 or \$6,000. They can't get it for less, because of various measures taken by the insurance industry to protect their profits. It seems to me that the OHC could usefully provide bulk purchasing power for the tenants in that particular area.

My other note from Ottawa talks about your management structure, and that's something that the tenants can look at as well. For four projects in the southern part of my riding, you have a site manager, two assistant managers, a supervisor of maintenance and an assistant supervisor of maintenance, but, according to what the tenants can see, you only have two or three people who are actually pushing a broom. That's the consequence of moving from resident superintendents to floating superintendents. It seems to be all chiefs and no Indians.

**Hon. Mr. Rhodes:** You've lost us a bit on that one. Can you tell us the projects you're referring to?

**Mr. Cassidy:** Bellevue, Rideauview, Hooper and the senior citizen projects in the south-western part of the city. Okay.

In a speech last year, Barry Rose, the general manager of OHC, said:

One thing we should all get clear in our minds is that we're all subsidized. Our roads, education and many other things are



all subsidized by governments and we all use them. Probably the biggest subsidized group is the middle-class single-family homeowner so don't talk to me about unfair subsidization. Another thing to keep in mind is that in terms of the national income, the position of the lowest percentile has not changed in the last 25 years.

**Mr. Philip:** Rose is one of our most enlightened civil servants.

**Mr. Cassidy:** That's right. I just point that out because the contrast is the quote from Homer Borland, who was a bit of a throwback from the past, where he said:

It is, therefore, imperative that rentals in public housing be kept at the highest level consistent with the ability of tenants to pay, having regard to the other elements of living previously mentioned. In this way the subsidies will be kept at a satisfactory level.

The tone of Borland's article was pretty bloody peachy, I must say, as he talked complacently about a rent scale which, in the late 1960s, amounted to 31 per cent of income.

I'm glad the minister has opened the question of the rent scale. I hope he follows up what he had to say there with active negotiations with the tenants over the rent scale and not the desultory kind of pace at which these discussions have gone forward in the past. I'm interested that he's asked us to put on the record what some of our views are about the rent scale.

Let me point out that the rent scale was last changed in 1970. In 1970, the government announced there would be a regular review of the rent scale every two years. Like other commitments made by the government, that's one that has not been honoured. Perhaps I can read into the record what's happened.

**Hon. Mr. Rhodes:** That was the federal government which made that commitment.

**Mr. Cassidy:** Was that federal?

**Hon. Mr. Rhodes:** Yes.

**Mr. Cassidy:** I beg your pardon. I have my arguments with them as well.

**Hon. Mr. Rhodes:** I know. If I lived in Ottawa I would too.

[12:30]

**Mr. Cassidy:** The plain fact, though, is that public housing rents today take a much larger share of people's income in real terms than

they did six years ago. The tenants who argue that it has become harder and harder for people to get by on modest incomes in an inflationary economy are certainly substantiated in that argument. When the OHC rent scale took effect in July, 1970, the minimum wage was \$1.30 per hour and the average industrial wage was \$131 per week. Today the minimum wage is \$2.65 and the average industrial wage is \$220 a week.

In 1970, a man with a wife and two kids who earned the minimum wage would pay 17½ per cent of his gross income in rent-geared-to-income or OHC housing.

**Hon. Mr. Rhodes:** Now it's about 24 per cent.

**Mr. Cassidy:** Today, that same guy pays 24.1 per cent of his gross income in rent to OHC. If you take someone earning only half the average industrial wage, with a family, he paid 20½ per cent of his income in rent to OHC in 1970 and today pays 23.4 per cent of his income in rent.

**Hon. Mr. Rhodes:** We won't argue with figures.

**Mr. Cassidy:** With the increase in the minimum wage, the Ottawa people tell me it means that 98 per cent of the people with an income in the family now are paying the maximum rate, 25 per cent of their income, or more—and if it isn't 25 per cent, it's awfully bloody close.

I would like to suggest to the minister that as a principle in renegotiating the rent scale, the very least you should be considering is the kind of distribution of rents in real terms which applied in 1970. Whether you distribute it in the same way, whether you give more for kids and more for working mothers, or that kind of thing, is another question. But it seems to me that the kind of distribution which reflected the fact that people on the minimum wage simply can't get by for shelter, clothing and the other necessities, if they have to pay 25 per cent of their income in rent, should be what you have in mind.

I recognize the fact that the rent-geared-to-income scale in a sense is being asked to do something which governments are not willing to do by other means. Ninety per cent of the people earning the minimum wage don't live in public housing. They don't benefit from the redistribution of income which is inherent in a rent-geared-to-income scale, and they pay 35 or 40 per cent or more of their income in housing costs in many cases. But the tenants argue, I think



rightly, that that doesn't mean they should get screwed and be treated the same way because they are living in public housing. The problem is that you should also extend shelter allowances, or other devices providing the same kind of income support, to the other 90 per cent.

My own opinion of the proposals made by OHC itself is that generally they tend to be retrograde, because of the proposal that a flat 25 per cent of income should be the rent standard. I think the other points may well be neogitable. But to say there should be no sliding scale at all means you're saying that the poorest people in the economy will be paying around 25 per cent of their income in rent. As you know, Mr. Minister—and as the Liberal leader reminded Mr. Danson the other day, in his rather sudden and dramatic conversion to the cause of public housing tenants—rich people pay around 15 per cent of their income in shelter costs and middle income people pay around about 20 per cent. It's a very regressive kind of expenditure for poor people to have to pay 25 per cent, let alone the 30 or 35 per cent which is often charged in the private sector.

I would like to enter into that question of the rent scale perhaps at more length when we meet again, but I'll subside right now in case Mr. Hall wants a bit of time. If Mr. Hall wants more time than me the next time, I certainly will understand.

**Mr. Hall:** Actually, I had several people who wanted to speak, but they've run out of time. However, Mr. Singer has left the other committee and is here now, so I'll concede to him.

**Mr. Singer:** Mr. Chairman, I want to talk about several aspects of OHC which have bothered me for many years. First, I think OHC should be done away with. I think the housing function should be done by the ministry, so that the ministry is accountable to the Legislature and not shielded by a corporation that we can't get at. I've said this many times before and I say it again.

The major reason I say it is because we can't seem to exercise any control as legislators over the functioning of Ontario Housing. Sure, the minister will say this and that is our policy; then, when we get into things like land purchases—and I am going to deal with those under purchasing policy—and try to find out what is going on the iron curtain descends.

We can't get a look at the minutes of Ontario Housing Corp. We can't find out what the directors do. We are told it is none of

our business; that the records and the minutes are secret and the reason for it is that it is government policy. One of your predecessors said "Surely you wouldn't want to disclose to the world that we are thinking of purchasing land in Sault Ste. Marie in advance of the purchases being finalized because you would destroy the market and invite speculators to come in."

That is a specious argument because no one would expect that that kind of information could or should be made public, in advance of the final dealings on that piece of land, the finalizing of the purchase and sale when the money has been expended and the documents conveying title have been exchanged. That is not what we are talking about.

We are talking about our ability to look at minutes relating to events which have gone on in the past. It's not sufficient answer, as one of your predecessors wrote to me at some length, to say, "If you tell me what you are looking for, I will be glad to look it up and give you the specific information." Unfortunately, because we suffer from a great lack of information we can't tell you specifically what we are looking for. We wonder about a whole series of transactions and I am going to delineate some of them to you shortly, but we can't get the information regarding them.

I don't share the opinion of one of my colleagues that you have or somebody has a whole series of files somewhere labelled "pay-offs" and that you go to that cabinet and pull them out. That was a question asked in the House the other day—could we see the file of payoffs for 1967? I don't think things are done that way but I have to wonder about how a man can make a \$2 million profit on probably an investment of no money in south Milton in a period of a few months. I could be substantially less than satisfied at the tabling of information by your immediate predecessor in the form of an evaluation, which took up half a page of a handwritten, undated document, when the facts in the registry office and an examination of the affidavits of land transfer tax clearly indicate that this was the kind of profiteering done at the expense of the people of the Province of Ontario.

I think it is criminal that someone can make a \$2 million profit in the period of a few months, probably with the investment of no money. Why do you shudder at following the expropriation route and rather invite this kind of middleman speculation? You've done it time after time and it's nothing new.

This minister is going to bear the brunt of it today but his predecessors know about it.



I don't know if you have been in the middle of any one of these particular things we have complained about.

We have complained about transactions in Sudbury. We have complained about transactions in the Lakehead. We have complained about transactions in Ottawa. We have complained about transactions in South Milton. I think there were some complaints about some in the Soo, probably before you came into the House, so this is not a new thing at all.

We don't get any satisfaction and we can't get to the real root of the problem because we can't see really what OHC has done because it's hidden in the minutes.

The Conservative Party had a convention or an annual meeting a few days ago and one of the things talked about was the openness of government records. I don't know that that was adopted; I gather a resolution was put forward and some voting took place. Of course, you are going to count some ballots and the result of the balloting is going to come before the party but whether or not it's going to control or change government policy I don't know.

I would think you should be awfully concerned—the minister and his colleagues—about the availability of records such as the minutes of OHC to members of the Legislature and members of the public in order that to the best of our ability in any event we can assess the usefulness of the meetings and of the decisions.

Let's deal with the south Milton one for a minute. When we got down to this, quite apart from all the gory details, and I am not going to give you again the evidence of how we came to the conclusion, it is there and it's proven, that speculator X made \$2 million in a short period of time.

I have never yet been satisfied as to why you bought that land in the first place. Your predecessor said, or one of your predecessors said: "You watch, by the year 2025 you will know that the government of Ontario did a very wise thing in buying all these acres of land in south Milton."

That just seems ludicrous to me, because OHC knew as well as anybody else you couldn't use this land until you built a 10-mile pipe from Lake Ontario up into it, and there was no intention of immediate use for it.

You have all the ability to control its use under the provisions of the Planning Act. What did you need to own it for? You weren't prepared to say—and when I use the word "you," I am talking about you and your

various predecessors. You weren't prepared to say: "This is our plan for it, and we have to have it because it fits into government policy."

How does one understand? How can one who sits in the Legislature and concerns himself with the expenditure of government money—which seems needless, which allows profiteering; great, great profiteering—how can one understand why it went on when one is denied even the ability to look at the minutes which reflected the decision.

That's the sort of thing that has to bother us—and the whole question of gifts. Now, there are a number of people, lower and middle management people, who have been prosecuted under provisions relating to the receipt of gifts by civil servants. Probably there is a very serious loophole in the law—and I am not about to question absolutely the discretion of not laying charges against the gift givers as well as the gift receivers. But if there is, then surely to goodness somebody should do something about it. Because every time I read about X, who presumably was a reasonable civil servant, who took a gift or went on a trip at the expense of some developer, I have to picture in my mind the developer who wanted something, or the contractor who wanted something, being highly amused and saying: "Isn't that too bad. Poor old Joe; we gave him a little present and he got caught and he's punished and he's fired and he's been before the courts and he is convicted, but nothing is happening to us."

I think somewhere along the line there has to be either a change in the statutory provisions, if the present statutes are not enough to get at this. Or at least a government determination that because firm a, b, c or d did these things which were wrong, that the government of Ontario, the people of Ontario, shouldn't deal with them for a period of time.

There should be some sanction directed against these people who have corrupted some of our civil servants. Surely that makes some sense.

I have touched on the Oakville one, the south Milton one. There were debates in December of 1974. Mr. Irvine was replying to the member for Wentworth (Mr. Deans). I have forgotten what the member for Wentworth was on that day, but he asked: "Can the OHC be aware of a situation whereby a man buys a HOME-plan house, doesn't live in it himself, but rents it out to tenants and the corporation does nothing about it?"

And there was an explanation there. There was a series of charges that I brought about people buying up two and three and four units, government-subsidized. Mr. Irvine ad-



mitted this was so, and he couldn't get very excited about it. I listed a number of cases of unchecked profiteering where people came in and took advantage of the government subsidies and made themselves substantial private profits and went on their way. There was secrecy of land deals, and there is a clipping I have here from December of 1974. Mr. Goyette felt slightly hurt, because he was the man who was on the receiving end of it at that time. He has since gone to Ottawa and works, I understand, for—pardon?

**Mr. Johnson:** To Ottawa with the Liberals? [12:45]

**Mr. Singer:** No, no—works for one of the developers who has something to do with—I saw his name in the list of those donations where the money happened to go to the Conservative Party.

Mr. Irvine wouldn't call a probe of OHC over profits in Sudbury. All of these stories have been fully detailed and argued about and complained about in the House. We still don't get any satisfaction.

I would feel very, very pleased if the minister would say, "Okay, we are going to make available to the public through the members of the Legislature the minutes of Ontario Housing in relation to any matter they have dealt with which has been concluded."

**Hon. Mr. Rhodes:** May I interrupt for just a moment and ask a question of you? Would you agree that there are items that would be discussed and decisions made by the OHC board that, in fact, should not be made public?

**Mr. Singer:** If the matters are over—if the land purchases are over—

**Hon. Mr. Rhodes:** No, I'm not discussing land purchases. I think that matter's over. I'm talking now about those matters in the minutes which might deal with third parties, individuals—

**Mr. Singer:** There may be some: Disciplining people—hiring, firing, that sort of thing.

**Hon. Mr. Rhodes:** Or dealing with tenants where their personal lives are involved, this sort of thing.

**Mr. Singer:** Yes, yes. I wouldn't disagree with that. But the blanket closure's what I'm objecting to.

**Hon. Mr. Rhodes:** All right. I don't know how this can be done to your satisfaction.

I'm thinking of edited versions, if you will, of the minutes, that would edit out those things which might be embarrassing to individuals, or groups of individuals, who are dealing on a personal basis with the board involving tenancies, as I suggest, or the hiring or firing—this sort of thing. Would that be reasonable?

**Mr. Singer:** Yes. I would think that would be most reasonable. Just to conclude, I want to read into the record two editorials, one from the Globe and one from the Star.

The Star's editorial is dated Feb. 3, 1975, and it was as a result of some of the discussions that were taking place in the Legislature and some of the positions we were putting forward. This is headed "Time To Reform OHC Land Purchasing."

The way Ontario Housing Corp. (OHC) acquires land for major developments—buying it on the open market just like anyone else—has drawn a lot of criticism over the last decade.

Often speculators have got wind of Ontario's plans and grabbed land for resale to OHC at inflated prices. This meant easy profits for speculators and has added unnecessarily to the eventual cost of the housing. It also discriminates against those who sold out early.

The rest of the editorial goes on for several paragraphs. They were talking about south Milton; they were talking about the arguments that I was putting forward.

There is just no reason why this developer—and I haven't mentioned his name; it's there in the record—happened to get in and make a \$2 million profit in that very short period of time. And as I say, my guess is he probably didn't have to put up five cents of his own money, he just took options and used other money to close his deal.

The other editorial's from the Globe, dated Jan. 26 of this year, and this followed the decision given by Mr. Justice Addy of the federal court.

And Mr. Justice Addy was smack on I read his judgement in full and he made the point that several of us have made over a great number of years: If government needs this land, why does it not go the expropriation route? And this is what the Globe says:

Because Canadians work pretty hard for their money, they wince when they see a government agency spending like a drunken sailor. They wince even more when such spendthrift ways mean less money available for public housing.



There will be no joy in Ontario over the news that the federal court has roundly criticized the Ontario Housing Corp. for paying highly inflated prices for land just east of Ottawa. Mr. Justice Addy, in dealing with a recent expropriation case, said that OHC did not act as a prudent purchaser.

It could always be conceded that there was an important job for OHC to undertake in the province, and in many respects it has performed well in bringing low cost housing to those who needed it most. The Home Ownership Made Easy plan may not have been . . . perfect . . . but it [was prudent].

And it goes on in this vein.

Now there it is, and I don't know how much more evidence we need. It would seem to me that there are two things: One is we should be able to look and see what the board has done in the past; and the other is the continued usefulness of it. We now have a Ministry of Housing, and the Ministry of Housing is accountable to the House through the minister, and these responsibilities in the end devolve upon this minister or whoever occupies that portfolio from time to time. I would be very surprised if this ministry does not continue to exist, that is if any other government would do away with the Ministry of Housing. I think it is the most important ministry that we have in this province and it should continue.

So surely to goodness it should be accountable, and not accountable through the sort of semi-world or the iron curtain of a Crown corporation whose records we can't get a look at?

**Mr. Chairman:** Mr. Kerrio.

**Mr. Kerrio:** Mr. Chairman, maybe the minister wants to reply.

**Hon. Mr. Rhodes:** No, I think Mr. Chairman, the member for Wilson Heights has made his points very clear. I would like to take a look at what he has said, and perhaps respond in some detail on another day.

**Mr. Kerrio:** Mr. Chairman, I would deal with specifics in regard to Ontario Housing Corp. and its tendering procedures. I brought it to the minister's attention, and there was some comment made, in the House, but I would like to pursue it just a little further. If there is someone here who could help me with just one aspect of tendering procedure from Ontario Housing, I would ask if they use the bid deposit for subtenders in their procedure right now?

**Mr. Riggs:** No, we do not sir.

**Mr. Kerrio:** That's fine. It is one of the questions that I wanted to be certain of, because I would bring into focus my criticism of this particular aspect of tendering. I would like to say at the outset, Mr. Minister, that I would like to qualify any remarks or criticism that I make in your direction by suggesting that I would offer some alternatives which I feel have validity. I am not here to pull down anything that I am not prepared to restructure, I think, in a more meaningful way.

I have gone through many aspects of tendering procedure and I feel it is an area where, through my experience, I have some substance to offer your ministry. To relate specifically to the Lincoln-Beamsville senior citizen units, it was where I criticized the ministry for the fact that tenders were called initially and that seven tenders were received and opened publicly.

**Mr. B. Newman:** Open tender or invitation tender?

**Mr. Kerrio:** No, this was public tender. The areas of criticism that I have—and I have seen two other ministries not allowing this to happen—are such that tendering procedure is laid down and tenders close at a specific time and any tenders received after that time are not considered. The reason this was brought to light—that there were two additional tenders that were considered—was the fact that this job was retendered subsequently and there were letters sent to the original bidders saying that only the original bidders would be allowed to retender, which is accepted practice in the industry. But, lo and behold, on the retendering, there were additional names—which came as quite a surprise to the seven original bidders—of firms that had not in fact had bids opened publicly.

I had a reasonable explanation for why this happened, and it goes beyond any kind of a reasonable person not to accept the reasons for what had happened in this particular instance. What I am suggesting is, there should be some method to ensure this sort of situation cannot happen. I have been through restructuring of tendering to the degree that in some specific areas they even have two envelopes in their tendering procedure where there is a prequalification envelope that contains your cash deposit, if you will, or certified cheque, your ability and the willingness of some company to provide a bond, and every other document that is necessary to qualify you as a legitimate bidder. If, in fact, that preliminary document does not contain



any one of these phases of prequalification, they do not, in fact, even open your tender. That has eliminated any possibility of a tender being opened without the person qualifying in every aspect of the tender being called.

I'm particularly interested, and I have to bring another aspect of this into focus. A particular contractor brought this to my attention. I feel very strongly about it because a small contractor who puts together a million-dollar bid is certainly putting himself to a great deal of time, effort and money extended, more so, I would think, in proportion to the amount of work that he ultimately does than many large people who have bidding facilities that really don't happen with a smaller contractor.

I'm suggesting to the ministry in this case, where they explained to me that there was a change of address and some subsequent problem and these two tenders that came in late were opened because they were delivered to the wrong place, that such should never be the case. We have to get bidding procedures beyond any kind of criticism. I'm suggesting a bid deposit also for sub-contractors is a must in the industry today. There are too many large contracts being given in the country where they use some individual as a sub-trade to bid the job and get the contract. There is much peddling of prices and using people in a secondary way actually to get in competition with each other to acquire the job.

This is no criticism on the part of the ministry. I'm suggesting that the bid deposit is the way around having this happen to many industries that could be hurt with this type of procedure. I won't dwell too long on this, but I think it's meaningful. I hope in some way it might add something in that particular area, because I've bid jobs with the Ministry of Transportation and Communications. They are very diligent about the way they have their bids close at a specific time. Bids are stamped and closed and that's it, and there can be no criticism directed because it is all done in that particular way so that everyone understands the procedure and there is certainly going to be no digression.

For what it's worth, it's an area that I am very interested in. I hope some of my com-

ments will be considered and in future this sort of thing doesn't happen.

**Hon. Mr. Rhodes:** I'd like to say that Mr. Kerrio has offered some interesting comments to which we would like to respond perhaps at another date.

**Mr. Kerrio:** Yes.

**Hon. Mr. Rhodes:** It was very worthwhile, thank you.

**Mr. Chairman:** Does that complete your remarks, Mr. Kerrio?

**Mr. Kerrio:** Yes.

**Mr. Cassidy:** Mr. Chairman, before we adjourn, there is one question I didn't raise.

**Mr. Kerrio:** I've done that, I put it smack on.

**Mr. Cassidy:** When the minister is replying to those other questions that I put earlier in the day, could he also make a statement about the reluctance that has been shown about taking over the Metro rent-geared-to-income units and turning them into a local housing authority?

**Hon. Mr. Rhodes:** Reluctance by whom?

**Mr. Cassidy:** By you and by CMHC, as far as I understand, one or the other. It is the situation in the Metro rent-geared-to-income housing.

**Hon. Mr. Rhodes:** Mr. Cassidy suggests we are reluctant.

**Mr. Cassidy:** Maybe you are willing.

**Hon. Mr. Rhodes:** I can assure you I'll answer it later.

**Mr. Cassidy:** My understanding was that you're now doing it on the new housing, but what about the older housing where Metro is still paying 50 per cent of the subsidies?

**Mr. Chairman:** The committee will meet at 2 o'clock on Wednesday.

The committee adjourned at 1 pm.



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**Ministry of Housing official taking part:**

Riggs, R. W., Assistant Deputy Minister, Housing Development; Vice-Chairman of the  
Board of Directors, Ontario Housing Corp.















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# Legislature of Ontario Debates

**SUPPLY COMMITTEE—2**

**ESTIMATES, MINISTRY OF CONSUMER  
AND COMMERCIAL RELATIONS**

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

**Friday, May 21, 1976**

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

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FRIDAY, MAY 21, 1976

The committee met at 11:08 a.m. in committee room No. 2.

#### ESTIMATES, MINISTRY OF CONSUMER AND COMMERCIAL RELATIONS

(continued)

On vote 1303:

**Mr. Chairman:** The committee will come to order. We are on vote 1303. We are still on the Building Code.

Any further remarks on building codes?

**Mr. Moffatt:** Mr. Chairman—

**Mr. Chairman:** I don't believe it!

**Mr. Moffatt:** I am sorry. The last day I was attempting to give what I think is one side of the question surrounding the aluminum wiring business. I will be sincerely interested in hearing the responses of the people in the ministry with regard to that question, not that I want to prejudge what has been told to me and written about to me by other people who are critical of aluminum wiring. I will be interested in hearing what the other sides of the story are.

One of the points I did want to raise was the question of whether or not the fire marshal's office has ever attempted to determine on a statistical measure from the number of fires which are put down to electrical fault or whatever the number of houses which had aluminum wiring. I think from the minister's comments at the conclusion of the last day that is not the case. None of the fires has been attributed to aluminum wiring and I am certainly not asking if that is the case. All I am saying is it might be worth having, if we were to put together a list of the number of electrical fires and break that list down into the kind of wiring and the kind of electrical devices which were in those particular homes.

It may prove to be inconclusive. It may prove that what the minister believes about aluminum wiring is, in fact, exactly the truth, but it may leave us with some other questions

which could be investigated at some further length.

I will finish by asking the question I asked, out of order apparently, the other day about the 7½ in. by 1½ in. spruce floor joists being used on the first floor in new homes on 24 in. centres, if those floor joists were legal and, if they were not or if they did not conform to the building code, how those particular pieces of equipment might have come to be used in that housing development. It is not just one house. It is the entire development.

I would like also to know if there are provisions in the Building Code for local municipalities to opt out of the implementation of the code. In other words, are there ways in which, by signing special agreements or whatever, a municipality may choose to end run the Building Code? I don't know whether that is the case or not. I am just asking for a point of information. On the whole business of the Building Code, in talking quietly to the minister in the House the other day, I think he is perhaps right when he says there is a lot of training to be done with regard to local Building Code enforcement officers or whatever they are going to be termed now.

There is a lot of information to be put out to the public also with regard to the Building Code so that people will know what to expect when going to look at a new home. I note in the list of publications the ministry puts out that there is no specific reference to home construction, although home construction is implied in some of the documents. In the one that is entitled, "Buying Real Estate," if you look at the graphic cover and the illustrations inside, it would appear you are getting the benefit of information about how to buy a home. The title of the book is "Buying Real Estate" and it is published by Consumer Byline.

If you look at the diagrams all through, it appears on the surface to be talking about construction. In fact, it doesn't mention construction. It mentions how to protect yourself with arranging financing and so on. It would seem to me, if you are considering additional publications, one that you might consider, in the light of the Building Code now and so



on, is a sort of home buyer's guide to what to look for in terms of construction. It might contain some 25 or 30 hints as to how a person with no construction experience or real training in that field could go into a house and look for some of the things that will in the future cause difficulty, such as the flooring; how to get down and take a look across the floor to see if the flooring is in a level plane or whether it appears to be up and down, and when someone moves across if it seems to give more than would be reasonable.

That kind of thing might be a good addendum to buying real estate. This deals only with buying land rather than buying a house. I will be interested, as I said, to hear the minister's response on some of the points I have raised.

**Hon. Mr. Handleman:** First of all, on aluminum wiring, there were some questions that are quite technical in nature and I am not too sure whether the staff would want to respond in complete detail. The controversy over aluminum wiring has been going on ever since it first started to be used in Europe some 40 or 50 years ago. The controversy seems to flare up and then subside. The controversy here has been going on, I suppose, now for five years.

There have been great developments and great strides made technically, I am told, in the use of aluminum wiring and in the system's approach to its installation. Most recognized regulatory agencies accept the relative safety of aluminum wiring. When you are dealing with electricity there is no person in the world who is going to say every installation is absolutely 100 per cent perfect and there will not be failures.

[11:15]

We cannot give you any information on the fire marshal's approach to this problem. I think you may have to ask the Solicitor General (Mr. MacBeth) when his estimates are here—they have not yet been here I understand, Mr. Chairman—you could ask the Solicitor General what the fire marshal—

**Mr. Chairman:** They will arrive some day.

**Hon. Mr. Handleman:** Yes, they will. You could ask him. With regard to the "do-it-yourself" books that might be published by our ministry, as you know there are a variety of articles being published almost on a weekly basis ad nauseam—how to do this and how to do that; how to buy a used car; what you should do when buying a used car. You can pick up almost any homemakers' magazine every week and see a one-page article

by a freelance writer who has cribbed it from somebody else, and the same thing applies to buying houses.

I would certainly suggest that our people take a look to determine whether it would be the constructive use of our limited resources to publish that kind of material. If it is not duplicating efforts being made elsewhere, I certainly have no objection. In those booklets we are not, as you know, teaching anybody how to be his own lawyer, how to be his own real estate agent, nor are we going to have a book put out teaching anybody how to build a house, but we may tell them what to look for in the way of the more obvious problems that arise in home buying.

I would like to ask Mr. Yoneyama, of course, to comment on the aluminum wiring. The Building Code is mandatory. It was determined over a period of many years that it was required that we have a uniform building code that is mandatory. I can't say for certain that no municipality in this province is trying to evade some of its provisions. I know some municipalities that have argued very strenuously against being required to obey the Building Code. Some of them are passing bylaws which are somehow suspect, in my mind, as to whether or not they do comply with the Building Code. We will have to take a look at that. The law is that the Building Code is the code for Ontario. It was a long time coming and I think it was absolutely essential.

Having said that, I now ask Mr. Yoneyama and Mr. Adams to perhaps make some comments on aluminum wiring, if they can add anything to this debate.

**Mr. Yoneyama:** Just commenting on the points that you made, Mr. Minister, I am given to understand that the fire marshal's office is preparing some kind of a study on that question so, as the minister has indicated to you, perhaps he will be able to provide you with some answers.

The whole question of aluminum wiring and problems associated with the wiring is, unfortunately, not just here in Ontario but also south of the border. One of the reasons, of course, is that, our system here in Ontario, and in Canada, we run on a 15-amp circuit as opposed to a 20-amp circuit in the south; which necessitates a larger diameter aluminum wire in the States as opposed to something less up here in Canada. This in itself then lends itself to some of the problems that you have raised.



The technology of it, in terms of the creep that you have raised, has now been corrected and we have now, through the manufacturers, alloyed the aluminum wiring to prevent the creep from happening. To compensate in existing buildings, the new receptacle, the CO-ALR you referred to, the copper-aluminum revised receptacle, will now accommodate the existing installations, and the way they have done this is they have used brass screws as opposed to steel. They have also removed the zinc plating and have gone to the new indium plating which will be much more compatible as far as it concerns the current coming from the aluminum wiring to the receptacle itself.

With regard to the poor retention of the grounding which you pointed out that, too, has been corrected. The earlier manufactured receptacles did have this problem but that has now been overcome and we do have better retention of the ground pins.

The other point you raised was on the question of hospitals having better receptacles; the answer is yes, inasmuch as hospitals use the higher commercial grade as opposed to the residential grade. I think the point you raised was simply that the domestic ones appear to be using rivets as opposed to the hospital receptacles which use the solid type. The answer is you are right in that. Those commercial receptacles are available on the market; however, we must also consider the price in that. I have checked that out and they are pretty expensive.

In terms of tracing the circuit, in answer to the other point you raised, houses are primarily wired up in such a way that if we do have a failure in the circuit a room is not in total darkness. If you have adjacent bedrooms, for instance, you may find that one receptacle is on one circuit, but the receptacle in the other is on another circuit; the lights in one room may go out because they are on a different circuit. You will at least retain illumination in one bedroom. That is the sort of concept used in laying out the circuitry.

I don't know how one can trace the circuitry other than by removing the fuse and identifying which light bulbs go out by doing that. I don't recommend it if you don't know anything about electricity because you could be exposing yourself to some danger. Once having done that, you can identify which light bulbs are on which circuit; perhaps this may be of benefit to the owner.

**Mr. Moffatt:** Could I ask a brief question about that? I understand the overlapping circuitry. What I think is valid is that you may have three, four or five receptacles or a light

switch and two receptacles on the same circuit. There is no way you can tell which one is first, second, third or fourth in the line. I am not sure whether you use a voltmeter or an ammeter to test the current flow to find out if there is a significant current loss in one of those boxes.

What I am suggesting is you could have an electrician come into your house and he could hook one end of his test equipment into the first circuit and one into the last and by running a current through them, he could tell where the fault might be. Unless those installations on a circuit are marked, there is no way to tell which is first, second, third or fourth. If you simply required the electrician to use a grease pencil inside the box and mark, one, two, three and four, that particular test item would be available to homeowners which it is not now.

**Mr. Yoneyama:** Good point.

**Mr. Chairman:** You have managed to strike flint—sparks I mean.

**Mr. Moffatt:** There is just one additional question.

**Mr. Chairman:** Oh, I knew it. Will you please take it out of your ministry next year?

**Mr. Drea:** Why does the chairman keep intimidating him?

**Mr. Chairman:** As long as I intimidate all parties, I think I am being fair.

**Mr. Drea:** It is interesting. He has a good point.

**Mr. Moffatt:** When was the better aluminum alloy wire brought into general use? How can we determine which of those houses which were built in the last 10 years had the substandard or the old grade of aluminum wiring in them? How can we determine that those are safe before there is a fire?

**Mr. Yoneyama:** I cannot give you the exact date as to when the alloyed aluminum wire was brought onto the market.

**Mr. Moffatt:** Is that the only type of aluminum wire on the market now, or is the old grade still being sold?

**Mr. Yoneyama:** No, it's identified as insulated—and don't quote me, but there is a label produced by the Underwriters' Laboratory Inc. identifying the insulated aluminum to give you assurance that it is the new alloyed type.



**Mr. Reed:** My remarks will be brief, Mr. Chairman. Just one comment to show that there is another side to aluminum wiring. My home is located close to a mile from the main line and it's been serviced with aluminum cable for 29 years with a great deal of satisfaction.

I'm concerned about the Building Code and the way it is upheld through the method of inspection. People are human and all of these things are subject to a certain amount of human error. In my own riding, I've had a number of complaints lately about new homes which seem to reflect on the kind of inspection or the completeness of the inspection at the time. I wonder if the minister would comment on just what kind of procedure there is to make sure that inspectors are fully updated, first of all, and what method of recourse there may be if these municipal inspectors are not carrying out their responsibilities.

**Hon. Mr. Handleman:** First of all, the inspection of construction under building codes is not a new initiative. There have been building codes, either the National Building Code or local building bylaws, that have been in place for decades. The municipal building inspector has always been responsible for ensuring that those codes are adhered to, whatever they might have been—whether it was the National Building Code or the municipality's own—so that the same responsibility for assurance of compliance with the code still rests with the municipal building inspectors.

Their qualifications to do that vary greatly, of course, according to both the size of the municipality and their backgrounds and that has always been the case too. What we are trying to do is to develop, with the assistance of the Ministry of Colleges and Universities, upgrading courses for municipal building inspectors to train them through the community colleges in the inspection process as it applies to the Building Code and also, I think, to look at things which are really not covered by the code, such as workmanship.

In the Building Code, you're talking primarily materials and material standards, but it is very difficult to put into a building code the quality of workmanship that most people expect from tradesmen and, quite frankly, in many cases are not getting. So it is our view that there has to be an upgrading process at the municipal building inspector level.

We think we'll get a great deal of assistance, not only from the Ministry of Colleges and Universities but out of the new home

warranty scheme, which will impose an obligation on the builder to provide good quality workmanship, because if he doesn't, of course, he would be liable under the warranty plan.

We think there is a variety of ways of doing it. Our chief concern in this was to achieve a uniformity across the province for a variety of reasons. One of them is to achieve economies of scale in manufacturing. If a manufacturer can prebuild components in the factory, knowing that he has got at least a provincial market, if not a national market, then we think there is certain economies that can be achieved.

I think that may have been the primary reason for the Building Code, along with being able to rely on a standard anywhere in Ontario, rather than each municipality having its own.

I don't know how far the plans have progressed. Mr. Yoneyama can tell you how far we have progressed with regard to the training of inspectors.

[11:30]

**Mr. Reed:** What recourse at the present time does a new homeowner have if he feels that inadequate inspection might have to bear some responsibility for the way his home has been built?

**Hon. Mr. Handleman:** Again, I would not give legal advice on what the homeowner can do for recourse if he is not satisfied with the quality of workmanship on a home, if it is faulty workmanship.

**Mr. Reed:** I was thinking simply of adherence to the building code.

**Hon. Mr. Handleman:** Perhaps Mr. Yoneyama can tell you the kind of complaint procedure that exists.

**Mr. Reed:** Yes, I would be interested in knowing that procedure.

**Hon. Mr. Handleman:** I think the question is: If a homeowner feels that his home has not been properly built under the building code because of a lack of inspection, where can he go for satisfaction?

**Mr. Yoneyama:** At the moment it's difficult, and I say this in the light of the home warranty programme coming on stream. It comes down to the timing. If we are talking of custom-built homes, I would say you have a better chance of recovery if it is identified that deficiencies have occurred. On speculative type of home building, the only recourse



you have is through the municipal enforcement officer or the building inspector.

**Mr. Reed:** In some cases they don't exist in reality.

**Hon. Mr. Handleman:** When we put out the responsibility for inspection to the municipalities we expect, of course, that the municipalities will be responsible. The law requires buildings to be built according to the Building Code; the provisions in the law for ensuring that are delegated to the municipalities, and they have accepted this through their organizations. I would assume that a homeowner who feels that a home going up has not been properly inspected, should be down at his municipal office telling them that; and if they don't respond, I suppose he should then let us know. I don't think there's anything in the Act itself or the regulations imposing any penalties on a municipality for not doing the proper inspection. I think they would take that as part of their responsibility to the people they serve.

**Mr. Reed:** I have one situation that is particularly serious where a house constructed for a private buyer actually was of a different construction than in the registered plan. Apparently the building was duly inspected as work progressed and so on, but the finished product in no way resembles the house that was planned, and the materials used don't even meet the specifications that were originally laid down. For instance, there are wooden beams in place of steel beams, and—I don't want to get into the details, but the workmanship is a whole other thing here.

It would appear that one of the lax areas in this case was the actual inspection. Money was held in trust by the lady's lawyer, of course, and as these inspections proceeded, and were approved, then the lawyer could feed out the money to the builder. In this case the house, according to inspection, was virtually completed, but in reality it's a leapfrog in a millpond away from being properly done and she has had to try to seek redress through the courts and so on. I am just wondering if there is some way of trying to establish that there is a responsibility on the part of the municipality in this area.

**Hon. Mr. Handleman:** I would assume that she would rely on her lawyer's advice under those circumstances. There is no way I can guess as to what recourse she has in the law, but if the municipality has a legal responsibility to ensure that the materials are identical to those in the contract, that would be one thing. To determine whether they were

in compliance with the Building Code would be another. I am sure the municipality would look on those as two separate responsibilities, one of which was properly theirs and one of which wasn't.

**Mr. Reed:** What you are saying is that until this new warranty programme comes out it is really still a case of let the buyer beware.

**Hon. Mr. Handleman:** I think it has always been that case. I don't think you are ever going to remove it completely from the marketplace. You certainly have to be on the look-out.

**Mr. Reed:** I just have one other question. We talked the other day about what constituted a finished home and so on. I wonder if anyone could tell me what constitutes a finished condominium. This question is going to arise, as you know, as soon as this warranty thing comes into effect—condominiums being built in phases and so on.

**Mr. J. K. Young:** That is under property rights.

**Mr. Chairman:** It's vote 1305.

**Mr. Reed:** Thank you.

**Mr. Chairman:** Just one word on the Building Code. I think the Building Code will help in the process of court cases insofar as lawyers have not had any index or any rule of thumb or anything and have to go out and get expert witnesses who can testify in a diversity of ways, of course. Now it gives you some kind of parameter by which to guide and it can be pointed to in the courts. When the warranties finally come in, they will strengthen it again so far as the expedition and saving costs and time in court trying to prove a point which is usually disputed.

**Mr. Renwick:** I just want to ask a very brief question. It may have been asked at a session which I was unable to attend.

Is there any equivalent code under consideration for existing houses with an attempt to make province-wide the kind of minimum standards many municipalities have and which for practical purposes the Province of Ontario has in its minimum housing standards bylaw?

**Hon. Mr. Handleman:** We have not tried to make any of the Building Code retroactive or to try to go back and establish minimum standards for existing buildings. Many of the municipalities are looking to the Building Code to try to upgrade existing



buildings. As you know, one of the problems we have had almost every year is the question of the screens in the upstairs windows in apartments. The Building Code covers quite specifically the safety screen that is required. We have not taken any authority to go back and tell landlords they must install them in existing buildings. Many municipalities have bylaws that do require that. We haven't gone that far.

The fire code, which is just now being developed jointly between ourselves and the Solicitor General, will undoubtedly establish some retroactive fire safety standards. The Hotel Fire Safety Act now does and it is administered by the Solicitor General, but we are developing a new code. I have every reason to believe that we will make it retroactive, providing the phase-in time to allow people time to make the necessary upgrading.

**Mr. Renwick:** I don't know at what point. I wasn't speaking about retroactivity. Perhaps I can deal with it more adequately should I be around when you get to the vote on property rights and so on. There is some overlapping obviously as to how you would bring such a code into force. I wasn't suggesting you can require existing owners to undertake onerous upgrading of their homes where they are going to continue to live there. Maybe the point in time—which I happen to believe—is when the existing house is sold.

There should be some existing minimum housing standards code uniform throughout the province, instead of leaving it up to the particular lawyer as to whether he checks to find out whether that particular bylaw has been complied with or whether there is a work order out against it. It would mean that no person could sell a home in the Province of Ontario unless it met minimum standards. It wouldn't be called obviously a building code, except by a different use of the term, but it would be a minimum code of housing standards. It does seem to me that the place you get that is where a house property is going to be sold, particularly in a market, such as exists today, where the prices are quite high and people are assuming obligations right up to the limit when they buy a home, and then find themselves faced with redoing the plumbing or redoing the wiring. I am not talking about cosmetic problems, I am talking about basic problems in existing homes in, of course, a riding such as the Riverdale riding.

**Hon. Mr. Handleman:** We are in the very preliminary stages—and I want to stress the preliminary—of discussing with a number of people the possibility of providing some kind of warranty on resale homes. In other words, where the original buyer's period of warranty on a new home has run out.

Since the homeowner lives in that home, he knows some of the basic faults of it and by his failure to disclose those in many cases, he imposes an obligation on the buyer, who has no way of finding out. Despite all of the principles of caveat emptor, there is no way that you can readily ascertain some of the major defects that can be hidden in a used home.

We have standards for used cars and we require certain certificates to be supplied, but we don't do that on used homes. However, we are discussing the possibility of some workable system of protection for the used home buyer.

**Mr. Renwick:** Well, referring to the comment made by Mr. Reed, it does seem to me you don't get at it by penalizing municipalities. You provide a system by which the municipalities will provide a certificate as to the home having attained a particular building standard. Without that certificate, an intending purchaser could walk away from the contract. Perhaps we could talk a little more of that.

**Hon. Mr. Handleman:** That will be in the new home warranty scheme, but it is not now in any used home system.

**Mr. B. Newman:** I don't know if the issue of the handicapped has been brought in under the Building Code. The minister and his officials are aware of that. I am wondering if he is setting a target date where government—municipal, provincial and federal—has to meet with some schedule for the completion of various exits and entrances to the buildings to facilitate their use by the handicapped.

**Hon. Mr. Handleman:** The new Building Code, of course, deals very explicitly with the subject.

**Mr. B. Newman:** Yes, I know that.

**Hon. Mr. Handleman:** Again, you are talking about existing buildings. Perhaps Mr. Yoneyama can tell you discussions have taken place. The new code certainly covers it. There will be no new public building that doesn't have that provision. We have an advisory group that keeps us informed on



the problems of the handicapped with access to public buildings. But I don't know where the discussions are at the present time with regard to existing buildings.

**Mr. Renwick:** I would think you could speak with your colleague, the Minister of Government Services (Mrs. Scrivener), about access to this building.

**Mr. Yoneyama:** We are in discussions with the Ministry of Government Services and other ministries. We are also, as the minister has indicated, working on the maintenance and fire code to make sure that we do get the part 5 requirements applied to existing buildings.

I am hopeful we can get the fire code settled without delay in Ontario. And then, at the conclusion of our meetings, we are hopeful that we will be able to come up with some kind of a timing schedule for Ontario buildings.

**Mr. B. Newman:** I am sure you are aware of the report of the select committee on the utilization of educational facilities, which specifically brought this to the attention of government. In the travels of the committee we found that the handicapped who attended our hearings were really handicapped again in an attempt to get into the facilities, having to climb all types of steps. I've noticed the ministry right across from the Treasury building has put up a ramp so that those that have a handicap can get into the building a little easier.

**Hon. Mr. Handleman:** I think there has been a great improvement over the past 10 years, whenever renovations are being done, in providing ramps in the interior of buildings. And in some cases ramps at the exterior, so that people can get in. But we still have a long way to go, and it is a major undertaking. It isn't easy to renovate all the public buildings in the province when public funds are in short supply, but certainly it is a worthy thing. We are not holding it up, I can tell you that.

[11:45]

**Mr. B. Newman:** I would hope your officials would really press that as strongly as possible.

**Mr. Chairman:** Any further discussion on vote 1303, item 6? Carried.

On vote 1303, item 7, upholstered and stuffed articles.

**Mr. Moffatt:** Mr. Chairman, before we go to the next vote, would it—

**Mr. Renwick:** Mr. Chairman, I suppose there would be no way I could go back to item 3?

**Mr. Moffatt:** Would it be in order—

**Mr. Renwick:** I'll wait until next year. The problem will still be here next year.

**Mr. Moffatt:** Would it be in order to have a brief discussion about the way in which we are going to deal with the rent review item before we get to rent review?

**Mr. Chairman:** I was hoping to cover upholstered and stuffed articles and then receive a motion on that particular point as we go into the next vote.

**Mr. Renwick:** I think this vote is going along quite well, from my point of view, the stuffed articles one.

**Mr. Chairman:** Are you happy with stuffed articles?

**Mr. Renwick:** Yes.

**Mr. Moffatt:** So am I.

**Mr. Chairman:** I have a brief question on stuffed articles having to do with Bad Boy, etc. Is the ministry responsible for the quality of fabric coming from the manufacturers? Do you test that and do you set standards?

**Mr. MacDougall:** No, there is no control over quality of fabric.

**Mr. Chairman:** As I understand your role, you kind of monitor this for many other provinces across this country, the quality to the safety feature, at least, of stuffed articles. What is the prospect, likelihood or rationale of becoming more responsible for the type of fabric used?

**Mr. MacDougall:** There has been some discussion through committees in Ottawa on setting up a labelling standard for upholstery fabrics but this activity has been curtailed recently due to the cutback in funds. It may be starting up again shortly.

**Mr. Chairman:** Thank you very much. Anything further on vote 1303, item 7? Carried.

Vote 1303 agreed to.

**Mr. Chairman:** There is a motion before us here on rental matters.

**Mr. Moffatt:** I think Mr. Renwick wanted to speak to the rent review item before we get to it.



**Mr. Renwick:** I don't want to take up a lot of time. I am simply going to ask the minister, does it make sense for us to deal with the question of the availability of that rent review manual now rather than leaving it until we get to the vote? If the decision is that members of the committee should be privy to that manual it would be helpful to have it before we get to the last vote in the minister's estimates.

**Hon. Mr. Handleman:** I proposed to the chairman that perhaps he and one person from each of the parties might want to inspect the manual before making a decision as to whether it should be tabled here and made public for everyone to see. I have invited the chairman to arrange that.

I think that would be a wiser step to take rather than to vote on its availability before you see what we see as dangers in making it widely available. I certainly have no objection and never have had any objection to any member of the Legislature inspecting the manual.

**Mr. Renwick:** I guess that's what bothers me. I am not particularly anxious to be privy to information which is not generally available. I don't want to be called upon to exercise that kind of judgement. It is my general view that we are engaged in the transaction of public business in public and I don't like to be a member of a committee which is faced with some kind of knowledge which other people don't have. Perhaps it would clarify my concerns a little bit if you could just answer some questions with respect to that rent review manual—

**Hon. Mr. Handleman:** I can't. I am in much the same position as you are. I really feel that it is a very—

**Mr. Renwick:** Could I ask the questions first?

**Hon. Mr. Handleman:** Go ahead.

**Mr. Renwick:** I am not talking about content.

**Hon. Mr. Handleman:** Okay, fine.

**Mr. Renwick:** I am not talking about content. The things which kind of intrigue me are what is the origin of the manual and who were consulted in putting it together—that kind of question. Is that the kind of question that the minister is aware of?

**Hon. Mr. Handleman:** My understanding is the manual originated at the headquarters under the direction of the executive director

of the rent review programme, and that a variety of experts in various fields, in the building field primarily, were consulted in order to draft certain types of schedules for the guidance of the rent review officers in the field.

**Mr. Renwick:** I think then, Mr. Chairman, we had better wait until the rent review people are here.

**Hon. Mr. Handleman:** I think they can explain it to you much better than I can.

**Mr. Renwick:** I don't think it's fair to the minister to ask him to extemporize on that.

**Hon. Mr. Handleman:** I think that's the process that was followed, but I can't be sure.

**Mr. Chairman:** Vote 1304, item 1, regulations of horse racing.

On vote 1304:

**Ms. Bryden:** Mr. Chairman, this is a fairly large sum, \$6.5 million, that we are being asked to vote, but I gather that since it is based mainly on a tax-sharing arrangement of one per cent of the previous year's wagering handle we don't have very much say in the—

**Mr. Renwick:** Perhaps there is a point of order here. Perhaps I should ask my colleague to disclose whether there is any conflict of interest when she has the Greenwood track in her riding.

**Hon. Mr. Handleman:** We can always close it down.

**Mr. Renwick:** You could always ask her how much she has made in the past year.

**Ms. Bryden:** Well, I didn't receive a donation from the Jockey Club.

**Hon. Mr. Handleman:** You do have a pass?

**Ms. Bryden:** I do have a pass.

**Mr. Chairman,** the racing commission does seem to have access to a growth tax which very few other agencies of government—if it is an agency—or very few other administrators are fortunate enough to have these days, because the wagering has gone up from \$300 million in 1970 to \$537 million last year, about an 80 per cent increase. This means the money allotted through the one per cent has gone up by this amount, about \$2 million, and I just wonder whether we shouldn't be looking at whether they need this kind of



growth or whether the province should be sharing more in the tax.

For instance, I still wonder whether we really need to pay thoroughbred breeders' awards of \$31,715 to E. P. Taylor. About a third of the thoroughbred breeders' awards go to this gentleman and I am sure he can afford to go in for horse breeding without provincial assistance.

Some of the other people who get these awards are probably fairly small breeders who do need assistance, but I wonder if we shouldn't be questioning the way the Jockey Club is administering this very large sum of money that we automatically give them through this tax-sharing arrangement. I realize most of it goes into enriching purses, but again the question is: Do you need to have the purses of the size they are to attract the participants in the races or not?

One thing that surprised me was that wagering appears to be about \$90 per attendee. I wouldn't have thought it was as high as that; I just wonder how much wagering is offtrack from which the province is not getting any revenue at all. Where are we on the discussions with Ottawa to possibly bring offtrack betting under provincial jurisdiction so that it could at least be legalized and therefore taxed as well? It seems to me this is a source of revenue that we may be missing substantially.

I would just like to leave that with the minister—where we are at on the offtrack betting and whether he thinks that we should be talking to the Jockey Club about whether they really need all this money or whether it's a possibility that we might reduce the one per cent to a lower percentage and have more revenue for the province's other needs.

**Hon. Mr. Handleman:** I know if I talk to the Jockey Club or any other breeder or owner, whether it be in thoroughbred or standardbred field, they would certainly claim they need all of this and more and, of course, that's what the commission's job is, I suppose, to meet with them to discuss their needs and then to establish the kinds of assistance that we're prepared to give.

**Ms. Bryden:** Have you discussed the assistance with them recently as to whether—

**Hon. Mr. Handleman:** Every year the commission puts forward an improvement programme, which primarily consists of assistance to persons, and that is put before the ministry. It's reviewed by Management Board; the amount of money going in is thoroughly reviewed and the commission

then has a budget with which to carry out its programmes.

My discussions with people in the field—and I must say this is one area I know very little about—indicates that they're relatively pleased, I suppose as pleased as anyone can be, when they are looking for money and would like to have more and don't get all that they would ask for. Certainly the small breeders and owners seem to be very pleased, and the Jockey Club which represents the tracks and the thoroughbred people, for the most part is relatively satisfied with the way that the money is shared. There are new initiatives that perhaps the commission representatives would like to explain to you.

As to the amount of money which is wagered off track, would that I knew. I'm sure the police would like to know. A few years ago we did have, as you know, a task force to deal with this question and the then minister, I think Allan Lawrence, brought in the report. Our problem in having legalized offtrack betting in Ontario is somewhat complicated by the Criminal Code, and there has been no amendment put forward in Ottawa to permit it, and the policy decision as to whether or not it should go ahead in Ontario really hasn't been made.

There was a task force recommendation and there was a request to Ottawa made that it be made possible in the event that the government wanted to go into legalized off-track betting. There is no way that we can, and we simply don't have the figure of the amounts that are bet off the track. It would be an interesting figure to see and I'm sure the police would like to know it too. Mr. McDonnell is here and he can tell you something about their programmes and the rationale behind them.

**Ms. Bryden:** Just one question: How recently have you talked to Ottawa about an amendment to the Criminal Code likely being necessary?

**Hon. Mr. Handleman:** It's my understanding that this is constantly before Ottawa. It is not simply a question of my talking to Ottawa. It is a matter for the cabinet in Ottawa to determine. It's a standing request to amend the Criminal Code. There's a good possibility that if Quebec asks for an amendment to the Criminal Code to permit them to operate a casino, which is in the realm of possibility, they might give some consideration to that request for offtrack betting legalization. That doesn't necessarily mean that this government is committed to legalized offtrack betting. The government itself has not made that decision.



**Mr. Chairman:** Mr. Bernie Newman, Mr. Moffatt, Mr. Singer and Mr. Drea.

**Hon. Mr. Handleman:** There were questions asked about the rationale of the programmes and I think the commission members should be responding to those.

**Mr. B. Newman:** I wanted to ask, of that \$5,374,000 what amount of that is actually given to breeders' awards? Or does your book indicate the total amount of breeders' awards, both standardbred and thoroughbred?

**Hon. Mr. Handleman:** Mr. McDonnell, do you have those figures?

**Mr. B. Newman:** The two figures in the book are, for standardbred, \$150,000 and for thoroughbred \$103,000. Is that the total?

**Mr. McDonnell:** Yes.

**Mr. B. Newman:** It is substantially down from what it was years ago, is it not? I can recall raising Cain in the House as to the amount of money being spent by this government to breed horses and the amount spent for physical fitness.

**Mr. McDonnell:** Mr. Newman, that was the big criticism of the programme back in 1973 when the government saw fit to implement the Ontario sire stakes and rebate the full one per cent back into the industry. The horse racing breeding and advisory board was set up at that time to review the whole programmes and see what could be done to enhance our industry in the province.

[12:00]

While this racetrack sharing agreement goes to purses, I think you must understand the evolution of the thing inasmuch as purses attract new buyers into the business, who in turn can pay the breeder a bigger dollar for his colts in the sales and then enable the breeder to go out and breed better quality horses. The whole name of the game here is that quality horses provide a higher calibre of betting and thus additional revenues from the parimutuel wagering.

The other thing is that the racing industry in Ontario is facing very stiff competition from New York, which has had sires stakes programmes for the past 10 years. A number of our better stallions and broodmares have been going to the United States. A number of buyers have been buying horses there to race in our existing race days up here. The idea now is to put a base into the racing industry in Ontario to ensure that in future

years we are going to have quality horses to compete at our tracks.

**Mr. B. Newman:** I imagine people would still bet whether the horse is of quality or not, the average person. I am not going to argue with the idea of raising quality at all. They bet on stones rolling down an incline, they bet on frogs jumping, they bet on everything. The gambling instinct is with all of the people.

What I wanted to ask of you is has the amount of money that had been spent on breeders' awards in days gone by now been transferred into prize money essentially?

**Mr. McDonnell:** Yes, what has happened is that the breeders' awards, as you see them paid in our annual report, are based on a given number of stakes races. Prior to that breeders' awards were paid for all races in Ontario.

**Mr. B. Newman:** Really you are not promoting the breeding then for all races, you are only promoting the breeding of the stake horses and those horses that are entered in the higher class races that are given the award.

**Mr. McDonnell:** We are to some extent, but there again this is where we are getting our quality horses. What is the incentive if a man can go out and buy a \$4,000 or \$5,000 claiming horse that is not going to do any benefit to the industry as such?

**Mr. B. Newman:** But you give a breeders' award?

**Mr. McDonnell:** Not to that horse, no.

**Mr. B. Newman:** These breeders' awards—say, to J. Hood Farm, thoroughbred, \$125.

**Mr. McDonnell:** These are only to colt races, two- and three-year-old races.

**Mr. B. Newman:** And another one here of \$11.70 for Rezso Zahorak, for a standardbred. How are you encouraging quality breeding in that fashion?

**Mr. McDonnell:** This means that on a given race this horse perhaps might have finished fifth at a smaller track such as Belleville. Because the purse isn't that large that is all the breeders' award came out to be on that horse.

**Mr. B. Newman:** I won't discuss any more on that. I just don't agree with that idea.



**Mr. Moffatt:** To continue in the same vein, the withdrawing of the awards on the claiming and maiden races really hasn't worked to encourage more people in the breeding of horses. It has simply managed to put the amount of money that is available into fewer pockets; the few get a lot more.

For instance, Taylor's share has gone from 15 per cent the previous year to about 31 per cent this year. As a result, the people who are supposed to pick up money by being involved in this business and who aren't the E. P. Taylors of this world, in fact, are losing out on this whole programme.

As for the sale results, which you indicated were to offset the losses from deleting other parts of the programme, in the select and the fall sale the average prices were both down, weren't they, from previous years?

**Mr. McDonnell:** Yes, but not the standardbred, which is the biggest programme. To come back to the question, prior to 1973, the breeders' awards were paid to a breeder of any horse regardless of age. What was happening was that here a man would be eligible for a breeding award for a claiming horse that might be seven years old. In the meantime this particular breeder had been out of the business for four years; that might have been the only horse he bred. In each year that horse raced, there would be a breeders' award for that man if the horse won on our circuit. The idea with these programmes is to get the breeders' awards back to the people who are currently in the business, to upgrade their stock in the whole programme.

**Mr. Moffatt:** In the light of that, we would then hope to see a better average price at the sales. That hasn't materialized. We would hope to see a few more people involved in the breeding programme, rather than just a couple of dozen. In fact, that hasn't happened either. A lot of people who were in this particular business on a small scale, and were using this to sort of pay some of the bills, in fact don't have that capability any more.

I realize there were probably exceptions, as you have cited—the people who kept a couple of horses for three or four years and then got out of the business and went into something else. In thoroughbreds that has happened to a great many people; this little cheque would come in every year as a result of the breeders' fees. But it seems to me, to put it bluntly, you've done it backwards. What has happened, in fact, is that there is a great emphasis on standardbreds because, I suspect, the advisory board is composed of

people who have a much greater interest in standardbreds. There are very few people from the ordinary class of thoroughbred owners who have any direct link with that advisory board.

When the advisory board made this recommendation, and the decision then followed, it was supposed to accomplish the things you've enunciated. In fact, after this length of time, it really isn't working. As a result, I think the thoroughbred people even went to the Premier (Mr. Davis) last February and were assured that situation would be corrected. They are relatively concerned about the way this programme, by taking away money from the claiming in the maiden races, has been a detriment to that particular industry.

**Hon. Mr. Handleman:** First of all, with regard to the meeting with the Premier, when you say they were assured, I don't know what situation you are suggesting would be corrected. They were asked to name people, both to the commission and to the advisory board, and to the best of my knowledge we have certainly made very effort to accommodate them in that commitment.

There was never any commitment to cancel the programme. As far as I am concerned, the programme has been a success in 1975, and I think it will continue to be more successful in future years. We didn't expect to have an overnight list of 1,000 breeders who were suddenly going to get breeders' awards in the thoroughbred industry. It will take some time, but we feel it's been a success and we feel that we have carried out the commitment we made to the small breeders about a year ago.

**Mr. Moffatt:** You are probably correct, because the Premier did not say it would be switched around. I think the word he used was "changed," which leaves all kinds of room. I just want to make the point that there are 600 members in the Canadian Thoroughbred Horse Society, and I believe 400 of them signed a petition requesting that the stakes in the claiming races and the maidens' races be re-implemented, but I gather that petition of 400 people out of 600 was dismissed.

**Hon. Mr. Handleman:** I'll let the commission speak to that.

**Mr. McDonnell:** Sir, I believe if you look at the board of the Ontario Horse Racing and Breeding Advisory Board, the Canadian Thoroughbred Horse Society does have a representative on that board; in fact, their president, Mr. Warren Beasley, is sitting on



that board this year. When that petition was signed, I think the full details of the programme had not been made aware to the total membership at that time.

Mr. Moffatt: Are you saying that since that petition was presented last year, the amount of unrest among that group has diminished?

Mr. McDonnell: I can assure you of that.

Hon. Mr. Handleman: I think if it hadn't, I would have heard about it; and as far as I know, there have been no further repercussions since that time.

Mr. Singer: Mr. Chairman, there are a few points I want to talk about. The first is offtrack betting. I am very disappointed that the people in Ottawa haven't seen fit to allow the proper statutory amendments that would allow Ontario to get into the offtrack betting business. If I read the papers correctly, the incidence of illegal bookmaking is creeping up. I would think if there was a reassessment of police evidence, either on a public or a private basis, it would confirm there is a substantial element of our population which wants to bet and they will bet illegally if they can't bet legally. I am not satisfied the minister qualified his comments at the end by saying this does not mean Ontario is committed. I thought we had fought that argument for 10, these many years, with Arthur Wishart and Al Lawrence. There was the report by Rendall Dick and there is a great big thick book hanging around about offtrack betting.

As I understand the situation, a great stumbling block is the federal Minister of Agriculture. It really doesn't bind Justice at all, but the Minister of Agriculture has dug his heels in because he believes, I think quite wrongly, that if there was offtrack betting these small tracks in rural Ontario or in smaller communities wouldn't be able to compete. I think he is quite wrong about this but he is presently in the position or is able to assert substantial influence. It would seem to me that that's where you should start boring in, not with Justice.

We went into this pretty thoroughly and I have spoken on this on a number of occasions in the past. It is my understanding that the people concerned with the administration of justice would be quite happy to get proper control over illegal bookmaking. I would like to see some repeated and frequent representations being made to Eugene Whelan because I think that's who you've got to get to if you're going to change the

attitude of the federal government. Would you care to comment along those lines?

Hon. Mr. Handleman: I agree entirely with what Mr. Singer has said. The Minister of Agriculture in Ottawa appears to be the person who is objecting most strenuously to any amendment to the Criminal Code in this area.

Far be it from me to defend the Minister of Agriculture for Canada but I think he feels he's reflecting the wishes of his constituency which is, of course, the farm population of Canada, not necessarily that of Ontario. I am really no expert in the field either to agree or disagree with your assessment that the small B and C tracks out there would not be hurt. I've heard from them fairly recently and they still feel some strong reservations about legalized offtrack betting.

We feel the amendment should be there so that if the government were to adopt this policy, we would deal with our own constituents, meaning the farmers, the small breeders and the small tracks. I'm telling you we would have to deal with them before arriving at a policy decision but we do think that the obstacle to arriving at that policy decision should be removed. Certainly, I have no objection to speaking to the Minister of Agriculture who will tell me, of course, that the Criminal Code is not his business.

Mr. Singer: He has something to do with the control of racing and there is no question about that. He is mentioned in the Criminal Code and frankly I continue my great and serious objection to the minister trying to sit on both sides of the fence at the same time. We would like the Criminal Code amended, you have said, except that does not mean we're committed to having offtrack betting in Ontario; we'll have to think about it at that point.

What is the point of electing and wanting to have the Criminal Code amended if you haven't got this kind of commitment in mind? I think Ontario's position would be much stronger if you said we want offtrack betting in Ontario so that we can control illegal activities and we can produce more revenue for the government and so on. If you don't, forget about the whole thing. But have the courage to come out on either one side of the argument or the other. I suggest you are trying to sit on the middle of the fence and you're not really getting anywhere.

The other thing I would suggest along these lines is if you have doubt and apparently you have—I've listened to your words very



carefully—about whether or not the B and C tracks are going to be hurt, why don't you have your department begin to talk to the people who will be affected? Bring them in, because the information I've been getting may be incorrect and it may have been given only by people who have subjective ideas about it. It is going to help them, so let's do it.

Why don't you conduct another inquiry? It's been a few years since there have been effective and believable statistics about it. Why don't you talk to the various racing associations and the B and C owners and so on? I would think that would be a very useful exercise, unless, of course, you are telling us that the government would just like to have it there in case it changes its mind. Some of us believe, and believe very strongly—I certainly do—that there should be legalized off-track betting in Ontario. It should be strictly controlled and it would be of substantial benefit to the broad Ontario community, but if you fellows are not going to be caring about it we're never going to get it.

**Hon. Mr. Handleman:** I wouldn't suggest that we don't care about it, Mr. Singer. I can tell you this, we have maintained continuous contact with the people involved. As you know, there is one element in this industry that is very anxious to have it as wide open as it is in other jurisdictions. The concerns of the small tracks continue to be expressed. We have talked to them very recently, in recent months.

I received a report just a few weeks ago—not a written report, a verbal report—which indicated to me that the industry was not really ready to reach agreement and, obviously, the government is going to have to develop a policy. There is no question about it. All I'm saying here is I can't speak for a government which has not yet developed that policy. If, as and when the policy were to be developed, it would probably be announced in the usual way. All I can say is we're consulting with these various interests in the industry continuously and we're trying to resolve some of the objections that some people have to proposals that are being made. Compromises are undoubtedly going to have to be reached. I think they will.

**Mr. Singer:** I'm not going to repeat what I said before. It's pretty clear to me that you're sitting on both sides of the fence at the same time and hoping that's going to have great political advantage. I think, like most things, if you can't make up your mind it's not going to help you one little bit. You're going to get enemies on both sides.

If you're constantly inquiring, for goodness sake, give us what the police say? Give us the representations made by the owners of B and C tracks? Give us representations made by the owners of the tracks where thoroughbreds run? Let's have an up-to-date summary of opinions? I think you have a responsibility to take it to your cabinet colleagues and say: "What's our position?" We've had this. It isn't new. This isn't something that just sort of grew up overnight.

We've argued over this on many occasions. I'm rather surprised that you're retreating at the moment. There was as close to being a commitment from government as anything could have been. Now you're sort of walking away from it and, I suppose, your excuse was you weren't the minister of the day who appeared to have made an apparent commitment. That's quite true. It certainly seemed to me, as I argued with the series of ministers over the years, that that commitment had just about been made. So we'll leave that one.

The other thing that bothers me, Mr. Chairman, is the incident involving this man Damien and his firing, apparently because of homosexual characteristics that he had. I was not really very satisfied with the explanation given by the racing commission and by its chairman.

I know nothing about Mr. Damien, except that if his services were disposed of only for the reason of what some would describe as his unusual sexual proclivity, that's not a sufficient reason. It seems to me that if he did his job efficiently, and that has been the suggestion, and if he was a reasonable citizen of the community, what he did in private was none of the business of the racing commission. He has now been trying in a number of ways, none of which appears to have been very successful, to get some kind of reconsideration of his position.

He's gone, I gather, through some legal processes, through some civil service processes and is presently trying to get something from the civil rights people. None of those things is apparently going to be successful because, unfortunately, we seem to be somewhat stepping aside again from this very serious problem. I would like to know the extent to which the ministry has investigated the reasons for this man's dismissal and whether or not he was suspect because of what seems to have been the reason, and if that was the only reason, why should it be so?

I would guess that anyone who does anything, anyone who has what are considered normal sexual proclivities, might be black-



mailed for a variety of reasons, depending on the extent to which they exercise them. Anyone who drinks, anyone who does a whole variety of things, might be subject to blackmail. But surely one doesn't hire and fire on the basis of this kind of remote possibility.

**Hon. Mr. Handleman:** First of all, it is my understanding, the last I heard about it, that it was in the courts. I was consulted on this before the decision was taken. I made this quite clear in the House when I was asked about it, that I concurred in the decision which was made within our ministry and the commission jointly. There's no attempt here to say that the commission made this unilaterally.

The question of Mr. Damien's services arose toward the end of his contract period. He was not an employee. He was not a civil servant. He was on an annual contract. The contract was due to expire, and he was notified that it would not be renewed. I don't think there was any necessity on anyone's part to give him any reasons whatsoever. The fact that certain reasons were given, I think, was not within my jurisdiction to determine.

**Mr. Singer:** May I interrupt you at that point? How many years had he been on this contract?

**Hon. Mr. Handleman:** I am not sure, but I think about four or five years on an annual renewable contract. It was not a civil service job. There was no tenure involved in it.

As I stated in the House, there was certainly no concern about Mr. Damien's performance as a steward to that point. It was felt by the Ontario Racing Commission, and that feeling was shared by the Ontario Jockey Club, that his ability to carry out an impartial role as a steward had been impaired by certain facts which had come to their attention. And I quite agree with you that a heterosexual who had the same activities would be in the same position of weakness in carrying out the responsibilities of a steward.

This man had a judicial function to perform, and it was felt that he would not be impartial or unbiased in carrying out that function. Therefore, he was told that his contract would not be renewed.

**Mr. Singer:** If a heterosexual was carrying on an affair with a married person, surely they would be at least as available to blackmail.

**Hon. Mr. Handleman:** I am not suggesting blackmail.

**Mr. Singer:** Wasn't that the theory behind it?

**Hon. Mr. Handleman:** No. I believe there was an examination for discovery, to bring out the facts. It hasn't gone on record yet. I would just as soon not divulge it.

**Mr. J. K. Young:** It is over these very points that the court has to rule, Mr. Singer, and that is why we really can't be completely frank about the whole situation.

**Mr. Singer:** What is the claim in the writ—is it for unlawful dismissal?

**Hon. Mr. Handleman:** I am not involved in the writ.

**Mr. J. K. Young:** I haven't looked at the writ. I think that's probably right, but I can't say for sure.

**Hon. Mr. Handleman:** There was a claim made to the Human Rights Commission, too.

**Mr. J. K. Young:** The contract actually ran, as I understand it, through the racing season, which is from March until November. It was during this hiatus that he was told that he would not be re-engaged in March. He was not under contract at the time he was told that he would not have a new contract. That's one fact that we can put on the table.

**Mr. Singer:** Well, that's not an answer.

**Mr. J. K. Young:** No, I know that.

**Mr. Singer:** That's not an answer at all. While you may have had the legal right to do it—

**Mr. J. K. Young:** That's right.

**Mr. Singer:** —unless there was another reason, in the normal course of events it would have been renewed.

**Mr. J. K. Young:** However small, though, that is one fact.

**Mr. Singer:** It may be a legal justification, but I am not complaining about the legality. Whoever wins or loses the lawsuit, that doesn't particularly interest me. The courts will determine that. What bothers me is the apparent reason for the failure to renew. I think, on the basis of the knowledge that I have of it—and it is by no means complete—that it is unfair.

**Mr. J. K. Young:** We don't hold that that apparent reason applies in this case, and that is what this court case is all about—and that has to be determined.



**Mr. Singer:** You might win the court case, but still be wrong. That's my point.

**Mr. J. K. Young:** That has happened, but I don't think that would be the case. We think that we would win the court case, because we are right.

**Mr. Singer:** Legally, but perhaps not morally.

**Mr. J. K. Young:** And morally.

**Mr. Chairman:** Mr. Drea.

**Mr. Drea:** First of all, I'd like to say I'm somewhat upset by Mr. B. Newman's evaluation of people who go to racetracks. As someone who goes there with considerable regularity, I can tell Mr. Newman that what the commission has said about the quality of the horses determining the mutuel handle and indeed some other things, the attendance and so forth, is entirely correct. Contrary to some views, the majority of people who go to racetracks are not compulsive gamblers. If they were compulsive gamblers it would be much simpler for them merely to go into a bookmakers' establishment and just put down a list of numbers for the day and leave. It's not true that people who go to racetracks are prepared to wager the same amounts on a continuing basis, whether it is sliding a stone or a turtle or whatever other analogies were given.

There is no question that the mutuel betting in this province has gone up considerably since the government entered into the various facets of the improvement programme. As a matter of fact, prior to the government introducing the present programme, and I think I'm correct in this, thoroughbred racing in this province was not on a very viable basis. It may have looked good in the newspapers, but there was getting to be considerable concern, not only in terms of the number of horses, the number of races and so on, but of employment. There is no industry that produces as much direct employment in this province on the basis of investment as does the entire horse operation.

I'm talking about from the breeding right on up through the racing and back again, if successful, to breeding. That's more than reflected in the number of licences that we issue. This is an extremely easy industry to monitor the employment because everyone who is connected with it, at least at the track level, has to have a licence. The number of licences, for instance, in 1971 was 14,000.

**Mr. Moffatt:** These are driver and trainer licences?

**Mr. Drea:** Yes. Today it's 21,500. That's a one-third increase in employment opportunities. We talk today about \$100,000 or \$200,000 being required to create a new job—these are figures that are bandied about. In deference to this programme, it is not a programme that's designed to keep people like Mr. Drea and some others amused on days they theoretically should be working or on weekends. This is a very viable industry, particularly in rural Ontario.

One of the things that also concerns me a bit is Mr. Moffatt's concern about the standardbred. In Mr. Moffatt's own riding, probably because I know some people there, since the standardbred programme has come in I am personally aware of three new operations by relatively small firms. They would not have been able to go into the business—I'm talking of within the last three or four years—because of the relatively low prices paid at sales for standardbreds, simply because the good brood stock was not available in Ontario and because of other considerations. The tendency was to mate good bloodstock from here, particularly mares, with stallions from the United States.

There's also another aspect to this in terms of the balance of payments which is something that very seldom is brought into question, although it does have some bearing in this province. The export of quality colts, as well as the export of some brood mares and stallions to the United States for their purposes has produced a rather substantial balance-of-payments benefit with the United States. What concerns me is the feeling that as long as you can put six horses in a race—with six you would have a total mutuel handle; it would be pretty tough with five—as long as the people can bet three ways they will still go out. They will not.

[12:30]

The remarks made by Mr. Singer are partially true. I was trying to tell Ms. Bryden, when I was rudely interrupted, and she wanted to know the last time anybody had said anything that to my recollection, as late as three months ago, Mr. Whelan vowed to fight to the death or something, and he would never have it.

On this business about the federal Ministers of Justice being people who want to do this, I don't know what Mr. Basford's attitude is but I will tell you the last three were totally opposed. As a matter of fact, Mr. Otto Lang took it upon himself to be de-



fending a number of things by not going into this. When Mr. Turner, of all people, was the federal Minister of Justice, as a matter of record, after the election, in 1971, there were commitments by the federal government to change the Criminal Code to allow offtrack betting. It was only a matter of time.

The federal government did change the Criminal Code but, and I think this validates the minister's present position—he is not sitting on both sides of the fence—the federal government changed the Criminal Code in such a way as not to permit offtrack betting. For a long time it said, "Go ahead; it is legal." Now, it agrees that what it really intended was that if someone wanted to take a chance and put in a programme the courts would throw out, that was their business. The real intent of the thing was not to offer opportunities for the provinces to get into offtrack betting.

I think the enormity of getting into an offtrack betting operation is such that I think any provincial government in this country would be insane to say: "If Ottawa will give us an amendment we will immediately proceed." I can tell you on the basis of the experience in New York State setting up an offtrack betting operation is one that requires considerable skill and considerable dexterity.

The offtrack betting in New York State has not been the success they said it was going to be. It was going to clean out the corner bookmaker and everything else. It has not. I suggest to you that anyone who plays the offtrack betting, particularly in the western New York region which is linked to the Finger Lakes track, is out of his skull. They fit into Mr. Newman's category of people who will bet on a rolling stone because that is what they are really playing.

**Mr. B. Newman:** Are you aware that attendance is dropping at the racetracks both for standardbreds and thoroughbreds in the last 14 years in spite of the fact they have improved the breeding? All that is happening is the wagering is greater but the attendance is lower all the time.

**Mr. Drea:** One of the reasons for attendance—

**Mr. B. Newman:** That indicates that better horses don't necessarily bring greater attendance.

**Mr. Drea:** One of the reasons for the drop in attendance in the thoroughbred field has

been the recession in the United States which has virtually decimated Fort Erie.

**Mr. B. Newman:** Unfortunately, the opposite is true. The statistics show that the thoroughbred has increased—

**Mr. Drea:** Thoroughbred?

**Mr. B. Newman:**—very little but the standardbreds have decreased substantially. These are the statistics in the report.

**Mr. Drea:** Mr. Newman, I will read your statistics. I am suggesting to you that the attendance figures for thoroughbreds would be much higher except for a particular financial situation regarding one of the racetracks in Ontario which must deal, by virtue of its location, primarily with American clients. As for the number of standardbred tracks open, I think in the winter time, prior to this programme, there simply was not the number of what they call class B or class C tracks operating. Those tracks aren't complaining particularly.

I wanted to get the record clear that horse-racing is not an amusement; it is not simply something the government gets revenue out of. It is a very viable industry in this province in terms of employment, particularly in smaller communities, because this is something people can do in their smaller communities without having to move to Toronto. Somehow, every year we get into this, that it is something held in social disfavour.

In return for the number of jobs Mr. Taylor's horse operations have created, he is probably the least subsidized free enterpriser in Canada in that regard. I know of no other industry that isn't here with its hand out, not only for improvement of the general economic climate from time to time but when they get into particular circumstances their first port of call is Ottawa and their second port of call, not too very far behind, is Queen's Park.

**Mr. Reed:** I thought I could sit through this item 1 of 1304 and we could get through it without my saying anything. We were okay until Mr. Drea used the word "viable" for the horse breeding industry.

**Mr. Drea:** For racing; I didn't say breeding.

**Mr. Reed:** I thought you were referring to the raising of horses.

**Mr. Drea:** No, the whole aspect of it. I would be the last to get in the horse breeding business, I can tell you. I have had opportunities but not even someone as naive as I—



**Mr. Reed:** I am very glad you made that clarification, because I can tell you from some personal experience there are very few horse breeders whose operation is at all viable. The breeding of horses in the rural areas has some benefits—there is no doubt about that—not the least of which is the fact that it does provide employment. It does hold land in agriculture that might otherwise end up being developed and it does provide some amusement for the kids that are on the farm. The end result of the horse breeding business provides a small export business in horsemeat to Europe. We will call it a tax dodge or whatever we want, but I would certainly agree now with Mr. Drea that the horse breeding business is not a viable industry.

**Mr. Moffatt:** I think Mr. Drea is correct when he says it does provide employment. With reference to my riding, Windfields Farm is in my riding and as well there are all the people who are involved in the standardbred business in the Orono-Newcastle area. There are significant numbers. What I am saying in my comments is that in this whole business the thrust has been to help the people like Windfields Farm to an inordinate degree and not enough attention has been paid to the people who use this as a little sideline to pay a few of the bills, as I said earlier.

In regard to whether or not everything is going very well, I would refer you, and the minister probably has these as well, to the minutes of the meeting of the horse racing and breeding advisory board on Oct. 15 where Mr. Beasley stated that the whole business was not working out as it was envisaged. At the Nov. 25 meeting of that same board, Mr. Beasley once again stated that the 1975 thoroughbred improvement programme did not achieve its goals and that it was not popular with the majority of their breeders. Mr. Beasley said the CTHS was objecting specifically to the Ontario higher stakes programme, and that's the point I raised earlier.

Then at a meeting of that board on Jan. 7, 1976, the 1976 thoroughbred improvement programme came under discussion and Mr. McClelland restated the CTHS policy with regard to breeders' awards and proposed the same programme that was submitted earlier by Mr. Sherwood on behalf of the CTHS breeders' awards committee. Mr. McClelland also wished to make the point that the sales of Ontario-sired yearlings had declined in the last two years. The chairman restated the government's position.

To say that the programme has really worked the way it was supposed to, I think maybe there's something more that needs to

be done. It seems to me one of the things that really should be considered is some way of enabling those people who are involved in that particular business to share in the profits that appear to be accruing to only a small group of people. That was my whole point. I certainly think the people who are conducting rather small operations are getting a disproportionate share of the assistance that the Jockey Club is able to provide.

I submit that the statistics from your ministry, or from this particular vote, seem to bear up what Beasley and McClelland and various other people in the business—I'm not in the thoroughbred horse business—but people who are in that business are making the claim that they don't see it as working out the way it was envisaged, and they think that it needs to be altered to allow those people to take a greater share in what's going on.

**Hon. Mr. Handleman:** Mr. Chairman, first of all the programme has only been in effect for one year. There certainly has not been a wave of immediate converts to this thing. But I think looking on that assistance as being charity or grants, rather than geared to performance, defeats the whole purpose of it.

Obviously, if somebody is successful in this they are going to earn more, and the incentive to success is in the form of the sire stakes. There are more Canadian sires standing at stud in Canada.

I know when the programme was first mentioned to me, I knew nothing about this at all. That very day I was told about a leading Canadian stallion that was going to be standing at stud in Japan. That's the kind of thing we're trying to stop.

I know many of the breeders still continue to send their mares to be bred to American stallions, and that's the one thing they feel is being discouraged by this programme.

I don't know how you can assess the degree of success in a one-year situation, when you're talking about a long-term programme. It's got to be given an opportunity to take effect, and the statistics that we have indicates it does.

What you have there are judgemental statements of somebody who didn't like the programme and who is saying it's not working. That may be a self-serving argument.

I'm a little concerned that the minutes of an advisory board, which are not public information, are being distributed widely around the province. I haven't seen those. But you say I have them. I haven't got those minutes. I haven't seen them.

**Ms. Bryden:** Mr. Chairman, I wanted to make it clear that I think horse racing is a



legitimate operation and a legitimate recreation for people who enjoy it.

In my riding the Greenwood racetrack does create very serious traffic problems and I would hope the Jockey Club is continuing to try to work out some means of overcoming this problem. It seems to me there isn't enough parking space available at the track or maybe the people just don't want to pay the fee. But it is a very serious problem in my area. For people who are not racing fans, it does create a lot of unhappiness.

With regard to whether we need to continue the breeding awards to wealthy tycoons, such as E. P. Taylor, it seems to me that at the moment, when we're in a period of restraint, the Jockey Club should be under restraint, too; but it doesn't seem to be under this tax-sharing arrangement we have. Its amounts go up automatically as the handle goes up.

With regard to the offtrack betting I can appreciate the difficulty if Ottawa will not move. It appears we can't do it ourselves although that's something only the courts could decide.

I think we've got to look at this very seriously, because of the allegations that off-track betting is very definitely tied up with organized crime in a great many areas, and probably in Ontario. The fact that New York hasn't been able to succeed in regulating off-track betting properly doesn't necessarily mean that we shouldn't be trying it.

I think that the ministry should be pressing for at least permissive legislation from Ottawa to permit us to see what we can do in the field. If it doesn't work out then maybe they could withdraw the legislation.

**Hon. Mr. Handleman:** We'll continue to press for it, Ms. Bryden.

**Mr. Chairman:** Just one word. Allan Lawrence having made a somewhat monu-

mental report on this whole thing—all racecourses, Sumatra to Buenos Aires—the world tour, I think you should put more pressure, through Whelan or whoever it may be, because this is a source of revenue which you very well could use.

The second thing I want to mention before there is further debate on this is John Damien. I want to join with Mr. Singer. I think Mr. Damien was very badly treated. I think from what has arisen subsequently, there is possibly regret in Charlie MacNaughton's heart that he launched such a thing. The man's tenure was renewed time after time, and were it not for his sexual proclivity I suspect he would very well be maintained and kept on the staff there. He was there for quite a while.

[12:45]

It is a most regrettable thing and I trust it will never happen again, this kind of discrimination. Just because the civil rights code made no provision for it, and therefore they were out of court in that particular field, is neither here nor there with respect to the equities involved and to the human dignity and to the fact that we will in a very few minutes begin to enter into the whole area of sanity, various forms of depiction of human behaviour within the life of the theatres or cinemas of this province.

Is there further debate with respect to item 1 of vote 1304? Carried. Item 2, theatres.

**Mr. Drea:** It is 12:45 p.m. and there are several lengthy submissions to be made on this.

**Mr. Chairman:** Yes, I think we should call it quits. The minister wants to get away early, he has a trip to take.

The committee adjourned at 12:48 p.m.



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Bryden, M. (Beaches-Woodbine NDP)  
 Drea, F. (Scarborough Centre PC)  
 Handleman, Hon. S. B.; Minister of Consumer and Commercial Relations (Carleton PC)  
 Lawlor, P. D. (Lakeshore NDP)  
 Moffatt, D. (Durham East NDP)  
 Newman, B. (Windsor-Walkerville L)  
 Reed, J. (Halton-Burlington L)  
 Renwick, J. A. (Riverdale NDP)  
 Singer, V. M. (Wilson Heights L)

### Ministry officials taking part:

MacDougall, J. D., Registrar, Upholstered and Stuffed Articles Branch, Technical Standards Division  
 McDonnell, W. R., Director, Ontario Racing Commission  
 Yoneyama, H. Y., Executive Director, Technical Standards Division  
 Young, J. K., Deputy Minister















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Government  
Publications



# Legislature of Ontario Debates

SUPPLY COMMITTEE—1

ESTIMATES, MINISTRY OF  
GOVERNMENT SERVICES

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Tuesday, May 25, 1976

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER  
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1976



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## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

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TUESDAY, MAY 25, 1976

The committee met at 8:15 p.m. in committee room No. 1.

#### ESTIMATES, MINISTRY OF GOVERNMENT SERVICES (concluded)

On vote 804:

**Mr. Chairman:** I call the committee to order and we will continue discussion of the estimates of the Ministry of Government Services. I believe we are now on vote 804, item 9, employee benefits.

**Mr. Angus:** Madam Minister, regarding employee benefits, descriptive page G.59 provides a breakdown of the allotment for the various fringe benefits that the government of Ontario pays on behalf of its employees. Does this reflect the total amount of the government's share of the fringe benefit packages for the employees of the government of Ontario?

**Hon. Mrs. Scrivener:** Yes, that's the total amount.

**Mr. Angus:** Okay. Then does the budget that has been presented by the Treasurer (Mr. McKeough), in terms of any statements he has made regarding increases in costs and service amounts, correspond to the amounts that are provided for in these estimates? Is that the theory behind it? What I'm getting at is, were these estimates made up before the Treasurer came in with some new programmes or increases in costs and were these changed accordingly?

**Hon. Mrs. Scrivener:** I think all our budgets were integrated and co-ordinated.

**Mr. Angus:** Okay. I went back to the estimates for 1975-1976 under general government, and on page G.51 there was an amount of \$13,777,300 for the Ontario health insurance plan. In this year's estimates there is an amount of \$14,790,000, an increase of \$1,012,700, by my mathematics. Yet I placed a question on the order paper, question No. 77; and if I may, I will read it:

Inquiry of the Ministry: Would the Minister of Treasury, Economics and Intergovernmental Affairs please table the increased cost to the taxpayers of Ontario to pay for the 45 per cent increase in the OHIP premiums to all Ontario government employees who have OHIP paid in full or in part as a fringe benefit?

The answer I received, dated May 6, was:

With regard to your question tabled in the Legislature on April 23, 1976, the amount of increased payments in respect of OHIP premiums of Ontario government employees, where those employees receive full or partial coverage as an employment benefit, is estimated at \$540,000 per month or \$6.5 million in 1976-1977.

Actually, that works out to \$6,480,000 and, Madam Minister, the difference that I see between the increase as the two estimate books have it and the increase that the Treasurer who signed the reply has, is in the neighbourhood of \$5,467,300. Could you explain to us why there is that much of a difference?

**Hon. Mrs. Scrivener:** There's a time difference in that particular instance, Mr. Angus, because these estimates and the Treasurer's budget are in preparation in February and March for April 6, whereas your question was dated after that. So, those figures would have come after the budgetary preparations for these estimates.

**Mr. Angus:** Are you saying, then, that this estimate book does not relate to the budget speech by the Treasurer?

**Hon. Mrs. Scrivener:** There's a certain time lag in the preparation of our estimates. These are estimates for the budgetary year 1976-1977. You asked a particular question on a particular subject on the order paper and did so many weeks later, after the estimates, when the new fiscal year had commenced. My interpretation of that is the figures you were given in response to your question on the order paper is an updated figure as of that particular time.



**Mr. Angus:** So in effect, you're agreeing with me that there is an error.

**Hon. Mrs. Scrivener:** No error, only a more particular and precise figure, now that we're well into the fiscal year.

**Mr. Angus:** Precise? You're talking about \$5 million, which is a third of the amount that is budgeted for.

**Hon. Mrs. Scrivener:** That's correct.

**Mr. Angus:** I'm sorry, but I would hope that in estimations the Treasurer of this province would have informed you of the indication or the possibility of such an increase, and that you would provide a fairer representation in your estimates.

**Hon. Mrs. Scrivener:** I think we've given a very fair representation.

**Mr. Angus:** You're out by \$5 million though.

**Hon. Mrs. Scrivener:** No, we're not.

**Mr. Thatcher:** Mr. Angus, as you'll appreciate, when the Treasurer makes his budget speech he's announcing for the first time certain policy changes. Prior to that time it's been necessary for all the ministries to work out detailed figures, which they do.

From the time that the Treasurer makes his budget speech to the time that the Legislature is ready to examine estimates is too short a time to do a total reworking of the estimates. So what happens is the Treasurer will make some allowance, in addition to the estimates papers of the various ministries. He will make some allowance in his budget for new policies or changes to existing policies that he announces for the first time during the budget speech.

**Mr. Angus:** He makes that provision in his budget, not in the budget of the Ministry of Government Services?

**Mr. Thatcher:** That's correct.

**Mr. Angus:** Yet there is a reconciliation statement found within your estimates. Maybe I'm reading it wrong, but that suggests to me that this was an update from when the initial figures were prepared. Is my understanding correct that a reconciliation statement is an update?

**Mr. Strauss:** Yes, it is an update, Mr. Angus, but between last year's figures, or previously published figures, and the data for those earlier figures now presented. Now if

you look at last year's estimates book you'd find that the total amount for the Ministry of Government Services is probably something different from the amount now shown for last year. That reconciliation statement in the front indicates what shifts have taken place in programmes moved into or out of the department. That is what that reconciliation statement does. It does not reconcile the estimates with anything to be announced in the budget.

**Mr. Angus:** Okay then, Madam Minister, can you tell us at this point in time in the terms of the employee fringe benefits under Ontario Health Insurance Plan what the actual increase will be? Is the increase \$6,480,000, as the Treasurer informed me? Or is it a different figure?

**Hon. Mrs. Scrivener:** If you could just give us a moment, perhaps we can do some math for you.

**Mr. Angus:** The question was, in your estimates you have a figure of \$14,790,000 for the Ontario Health Insurance Plan, yet in the answer to me from the Treasurer, the increased cost for the increase in OHIP premiums is \$6,480,000. The minister has suggested there is a time lag, and that amount, in terms of reflecting her ministry's estimates, may not be the same. I'm asking for the ministry's figure.

**Mr. Thatcher:** The ministry's figure for the anticipated expenditure in the current fiscal year?

**Mr. Angus:** That's right.

**Mr. Thatcher:** It's \$20,937,800.

**Mr. Angus:** Do you happen to have the difference there, to save my math?

**Mr. Thatcher:** It's \$6,200,000.

**Hon. Mrs. Scrivener:** It's \$6,200,000.

**Mr. Angus:** It may be just because I'm a new member and I haven't been through as many estimates as a number of other members have, but is it normal to find such a large difference in allotments because of the timing of the budget speech?

**Hon. Mrs. Scrivener:** It depends upon the item.

**Mr. Angus:** Could you indicate to this committee which items—and I suppose, Mr. Chairman, I'm not allowed to go backwards—which items that remain in the estimates of



this ministry are not a true reflection of the situation at this time due to the budget speech?

**Hon. Mrs. Scrivener:** They're all true reflections of our estimates as we did them at the time that they were prepared for the budget.

**Mr. Angus:** Okay. Then, let me rephrase it. Based on any policy changes as indicated by the Treasurer in his budget speech, what areas are there differences in and what are the differences?

**Hon. Mrs. Scrivener:** In our ministry we never really know what time, the weather, strikes or whatever will bring in terms of, for instance, our capital construction programme. We can never be sure that we can get it all spent or whether we'll be overspending. We can never be positive.

**Mr. Angus:** I appreciate that.

**Hon. Mrs. Scrivener:** The same applies sometimes to our leasing programme. A decision may be made well into a year not to renew a lease when we had expected to, or we may have an emergency programme as a result of a decision of the Legislature and we have to find some means of providing for it. So we do our very best to make accurate predictions, but we can't always be positive of doing so.

**Mr. Angus:** I appreciate that very fully, but my question was, as a result of a policy decision announced by the Treasurer of this province, what are the changes between the amounts estimated by yourself and your ministry and the amounts of today due to that policy decision?

**Hon. Mrs. Scrivener:** I'll ask Mr. Thatcher to comment.

**Mr. Thatcher:** There are no substantial changes as a result of the Treasurer's budget statement. There are a couple of minor changes due to other causes such as collective bargaining, but they're quite minor.

**Mr. Angus:** Does the province pay any portion of a Blue Cross fringe benefit for any of its employees?

**Hon. Mrs. Scrivener:** No, sir.

**Mr. Thatcher:** No, it's an extended health care programme that is an optional programme at the discretion of the employee only.

**Mr. Angus:** Fully paid for by the employee?

**Mr. Thatcher:** Yes, that's right.

**Mr. Angus:** You've mentioned the term "minor," and while I realize that some of this may not have been under your control—given that the Treasurer seems to have his own mind about some things that are happening and that you are really a service agency or a service ministry—don't you feel, Madam Minister, because of such a major difference which by your own reckoning is \$6,147,000, that this committee should have been made aware of that in part of the preparation for these estimates?  
[8:30]

**Hon. Mrs. Scrivener:** Well, the committee is aware now.

**Mr. Angus:** With all due respect, Madam Minister, I think that if I hadn't put the question on the order paper, I really don't believe that you would have volunteered that information.

**Mr. Ruston:** I've got it worked down too.

**Mr. Davison:** I have just a couple of things I am curious about. On the insurance and risk management branch, I quote: "The unit utilized tendering procedures to obtain government-wide insurance coverage." Does that apply to the insurance coverage provided through employee benefits, such as group life insurance and supplementary health and hospital plan?

**Hon. Mrs. Scrivener:** Yes, it does. You are a couple of votes along ahead of us.

**Mr. Davison:** No, no, I am sorry. I don't mean to mislead you into thinking that I am talking about the insurance and risk management.

**Hon. Mrs. Scrivener:** Right.

**Mr. Davison:** I am talking about employee benefits.

**Hon. Mrs. Scrivener:** I see.

**Mr. Davison:** I assume that insurance and risk management also includes things like car insurance, but in regard to life insurance, then, all of your life insurance through the employee benefits is secured by public tender?

**Hon. Mrs. Scrivener:** Yes.

**Mr. Davison:** How long has that procedure been in effect?



**Hon. Mrs. Scrivener:** It was commenced a year ago.

**Mr. Davison:** One year ago? What was the previous method if you didn't use tender?

**Hon. Mrs. Scrivener:** I couldn't tell you.

**Mr. Davison:** I take it, then, that the large majority of your contracts still in force were not given out through tender?

**Mr. Strauss:** All the group insurance is now a package and is all tendered as a package. There is one tender for the bargaining unit and one tender for the management group and the split was arranged at the request of the CSAO as a result of an arbitration award.

**Mr. Davison:** I think you are answering a different question.

**Mr. Strauss:** The life insurance, the extended health care and the LTIP are a package.

**Mr. Davison:** All of your life insurance presently in force was put in force within the last 12 months? Is that what you are saying?

**Mr. Strauss:** Yes, the employee life insurance.

**Mr. Davison:** If it was put out by tender, does that mean that one company holds the entire lot?

**Mr. Strauss:** One group for the bargaining unit and one group for the non-bargaining unit, and they are two different companies.

**Mr. Davison:** Is one of those companies **London Life Insurance**?

**Mr. Strauss:** Yes.

**Mr. Davison:** What is the other insurance company?

**Mr. Strauss:** Confederation Life.

**Mr. Davison:** Confederation Life. Are those two companies also involved in the supplementary health and hospital plan? The same two?

**Mr. Strauss:** Yes.

**Mr. Davison:** That's all I have.

**Mr. Chairman:** Item 9 carried? Carried.

Item 10, government payments.

**Mr. Ruston:** What is that? Just briefly, Madam Minister, can you explain what that is all about?

**Hon. Mrs. Scrivener:** This particular activity is to provide timely and accurate cheque insurance distribution and bank reconciliation services for payments from the consolidated revenue fund.

**Mr. B. Newman:** Then you process all the payments for other ministries?

**Hon. Mrs. Scrivener:** Yes, we do nearly all the chequing for the government.

**Mr. B. Newman:** Yes, I have noticed in your annual you indicate just exactly that.

**Mr. Davison:** I would like to know what kind of cheques aren't paid through the government payments branch.

**Hon. Mrs. Scrivener:** It's a substantial list. We issue accounts-payable cheques for all permanent government employees, cheques for all outside suppliers, cheques for all government benefit programmes, and we reconcile the bank accounts upon which these cheques have been drawn.

**Mr. Davison:** Yes, that's sort of the opposite way around. For example, I'm not paid through government payments branch. I'm paid through the legislative assembly.

**Hon. Mrs. Scrivener:** That's right.

**Mr. Davison:** Are there any other groups of people—

**Hon. Mrs. Scrivener:** Then we pay a long list of benefit programmes, the farm tax reduction assistance programme, the guaranteed annual income supplement programme, the family benefits accounts, the rehabilitation programme, the superannuation programme and the student awards programme.

**Mr. Davison:** I've seen the little pie with the 7,340,000 cheques from last year. What I'm getting at is that I'm not paid through governments payments branch.

**Hon. Mrs. Scrivener:** No, you are paid through the Office of the Assembly.

**Mr. Davison:** Right. Do other cheques go out from sources other than the legislative assembly or have you got everybody except them? Does every ministry have its own account?

**Hon. Mrs. Scrivener:** No, Mr. Davison.

**Mr. Davison:** Just a few groups like the legislative assembly?



**Hon. Mrs. Scrivener:** Some ministries have special advance accounts that they can use in particular instances, but in the main we do all the chequeing for government.

**Mr. Davison:** And that's ministries only, not agencies?

**Hon. Mrs. Scrivener:** Yes.

**Mr. Chairman:** Mr. Newman?

**Mr. B. Newman:** How far in advance, Madam Minister, do you prepare these cheques? For example, we get criticisms all the time from students, as far as student awards are concerned. They're waiting and waiting and waiting. How far in advance are you? Or how long does it take to process a cheque if the Ministry of Colleges and Universities comes along and says that Miss So-and-so should be getting \$584?

**Hon. Mrs. Scrivener:** They are all on schedules, but I have to say the actual preparation of a cheque is faster than a blink of an eye on our machines. But they're on very particular timing schedules and it takes a substantial amount of time to get all the approvals for those cheques completed. It's something like six days.

**Mr. B. Newman:** Your ministry isn't the one that messes up the GAINS cheques, is it?

**Hon. Mrs. Scrivener:** Oh, we wouldn't do anything like that, Mr. Newman, you know that.

**Mr. Chairman:** Ms. Bryden?

**Ms. Bryden:** Mr. Chairman, we don't usually ask about reductions, but I'd like to know how this can drop from \$3.3 million to \$1.9 million. It's a very substantial drop. Has there been a substantial change in the operation?

**Hon. Mrs. Scrivener:** The employee data services were transferred out of that branch.

**Ms. Bryden:** Are they showing up somewhere else?

**Hon. Mrs. Scrivener:** They're in item 15, I think, on your list.

**Ms. Bryden:** Oh, yes. There is no corresponding figure last year against them.

**Hon. Mrs. Scrivener:** We have two new activities, items 15 and 16, in this vote.

**Mr. Davison:** These both came from government payments?

**Hon. Mrs. Scrivener:** That came out of employee benefits.

**Mr. Davison:** Advisory services?

**Hon. Mrs. Scrivener:** Yes—no, I guess that one was originally in health services. When we come to it you'll see that there is a relationship.

**Mr. Chairman:** Mr. Ruston?

**Mr. Ruston:** Who would process the refunds for the sales tax last year, such as the automobiles when that was in process? Did the Ministry of Revenue turn it over to you, or who would process it?

**Hon. Mrs. Scrivener:** That particular one was done by the Ministry of Revenue.

**Mr. Ruston:** I see. That's where the Treasurer signed the cheques and so forth, I take it. In other words, the Ministry of Revenue processed all the cheques for the sales tax refunds on the automobiles?

**Hon. Mrs. Scrivener:** I'm just wondering whether it wasn't the Minister of Revenue (Mr. Meen). The actual physical writing of the cheque we did, but Revenue prepared all the requisitions for those cheques. Sorry.

**Mr. Ruston:** And how about the home buyers' grant? The same thing?

**Hon. Mrs. Scrivener:** Same thing.

**Mr. Chairman:** Mr. Newman?

**Mr. B. Newman:** Every year around April, a substantial number of the senior citizens and those who are on GAINS find that their cheques have been reduced or not sent to them. Whose responsibility is that? Is it that of the ministry involved? Does that ministry—for example, GAINS; does the Ministry of Revenue or the Ministry of Community and Social Services notify you?

**Hon. Mrs. Scrivener:** I can't give you that detail. I'll ask Mr. Strauss if he knows.

**Mr. Strauss:** I believe, Mr. Newman, because the GAINS cheques are related to the federal old age supplementary assistance, if we don't get their lists of who is eligible for the federal supplementary assistance, they wouldn't get the GAINS cheque either.

**Mr. B. Newman:** Does the Ministry of Revenue ask you to include reminders in the January, February and the March GAINS cheques so that our senior citizens would have that additional reminder to fill out their guaranteed income supplement forms and not find themselves, in April, not receiving a GAINS cheque?



**Mr. Strauss:** We mail anything the ministry concerned asks us to put out with the cheque, but it is really their programme.

**Mr. B. Newman:** Will you then maybe remind them to send a reminder, starting in January next year, so that our senior citizens won't find themselves embarrassed when April comes around?

**Hon. Mrs. Scrivener:** That's a good idea.

**Mr. Chairman:** Shall item 10 carry? Carried.

Item 11, telecommunications. Mr. Davison.

**Mr. Davison:** The question of telecommunications came up briefly under vote 801, if you recall. I would like to know now why the cost of telecommunications is rising at such a fast rate when it has been explained to us that money previously spent under this vote is now being spent under vote 801.

**Hon. Mrs. Scrivener:** I won't say that all people who use our long-distance services are careless, but a great many people who should be making calls on tie-lines do not do so, with the result that the service costs are escalated to a far greater degree than they should be.

**Mr. Davison:** Are you suggesting that the increase—there seems to be a steady growth of about \$1 million or in excess per year—is simply because of increases in the prices of telephone communications?

**Hon. Mrs. Scrivener:** No, there was an increase in rates if you recall, but apart from that I'm aware, both through reports I have received and on a personal basis, that although we have a very broad tie-line service—you can reach 45 cities through our inter-connecting services—this is frequently not used. And some of the worst offenders, I'm sorry to say, are members themselves who have access and who don't use it.

**Mr. Davison:** What you are saying in reply would suggest one of two possibilities. Either the cost of telephone or telecommunications has gone up by something like \$1 million per year to us, or the number of offenders that you're talking about has increased to the point at which they are costing us an additional \$1 million per year. I can't see that either of those is really—there must be some other explanation.

**Hon. Mrs. Scrivener:** Let me give you a simple for-instance. My long-distance telephone bill came into me a while back and

on that bill I had, I think, one long-distance call which was made to a place I could not reach at that time on a tie-line. But I also had a number of calls billed to me which I did not recognize and, since I had to authorize the payment of the bill, I was really very concerned. One of the calls alone was for \$29.50 and the whole bill came to about \$80—and this is over a short period of time, for 10 days.

When Bell traced back for me, it developed that my bill was confused apparently with another member. And so in my own experience, I can tell you that there is a member who, in a period of 10 days, instead of using our tie-lines—because all the places that were called were available on a tie-line—made direct-dial long-distance calls. One call, \$29.50—and you start to multiply that—

**Mr. Davison:** He's probably a Conservative.

**Hon. Mrs. Scrivener:** —by the number of people who are, let's face it, profligate with our government telephones and our services. [8:45]

Initially, you see, I was concerned that someone in my office could have been abusing our telephones in our absence, and that's why I went to some pains to find out who had been making these calls. The answer I got back was distressing, to say the least. But I'm told that this is just commonplace, and that we're well aware of it.

**Mr. Davison:** I want to pursue my original question a little bit later but, en passant, are you aware that it's very, very difficult from Queen's Park to reach a number of cities on the tie-line? For example, have you ever tried calling Hamilton?

**Hon. Mrs. Scrivener:** Yes, I understand that Hamilton has been a very—

**Mr. Davison:** Virtually impossible.

**Hon. Mrs. Scrivener:** —busy tie-line. No, it's not impossible; I've reached it myself.

**Mr. Davison:** I have, too, on occasion.

**Hon. Mrs. Scrivener:** But when some of the tie-lines become overloaded, we increase them. But we do have to have a proper justification before we increase the number of tie-lines.

**Mr. Davison:** Would you consider increasing those to Hamilton?

**Hon. Mrs. Scrivener:** I think the Welland area is on our list. I don't know about Hamilton.



**Mr. Davison:** Also, do you think that the heavy load on the tie-line could have anything to do with the fact that almost every lawyer in Hamilton has the number?

**Hon. Mrs. Scrivener:** No, this is because we are given confidential calling numbers in little booklets with a covering letter advising us to guard these numbers, that they are private, but members and others hand them out gratis to anybody. Then, of course, then the system becomes overloaded with people who have no authority to use our tie-lines.

**Mr. Davison:** So, you're sticking by your guns.

**Hon. Mrs. Scrivener:** We have a system which is not being carefully managed by the people who have access to it. That's what I'm saying. I am saying that the members are very generous in the way they invite other people, who have no authority to do so, to use our lines.

**Mr. Davison:** You're sticking by your guns on the cost of the—

**Hon. Mrs. Scrivener:** We have five lines to Hamilton. It's a disgrace if you can't reach it, and you should ask yourself why. You're asking me why.

**Mr. Davison:** Well, obviously because somebody else is using it.

**Hon. Mrs. Scrivener:** Yes, and I think people in many cases who do not have the authority to use those lines—

**Mr. Davison:** Are using them.

**Hon. Mrs. Scrivener:** —are using them; and that's why you can't use them.

**Mr. Davison:** Exactly.

**Hon. Mrs. Scrivener:** They're put there for you.

**Mr. Davison:** Right. I think you should improve that situation. That's terrible.

**Hon. Mrs. Scrivener:** I'm sorry. I gave you a wrong number. We had five new lines put into Hamilton. We now have a total of 34 lines to Hamilton.

**Mr. Davison:** See, it's even worse than you thought it was.

**Hon. Mrs. Scrivener:** Much worse. I really feel quite indignant about it.

**Mr. Davison:** I think you should investigate the Hamilton situation.

**Hon. Mrs. Scrivener:** I feel quite indignant about it.

**Mr. Davison:** Change all the numbers. By the way, it wasn't me who was giving them out to all the lawyers in Hamilton. I won't name the person who's doing it.

**Hon. Mrs. Scrivener:** I think that all members must be very much more discreet in the way they use the tie-lines and the way they guard that information, and they have not been so at all.

**Mr. Drea:** Your colleague said he could use the phone any time he wanted. Why don't you talk to your ex-colleague?

**Mr. Davison:** Who?

**Mr. Drea:** Why don't you talk to Morty Shulman?

**Mr. Chairman:** Order, please.

**Mr. Drea:** He said he could sit down and use the phone any time he wanted.

**Mr. Chairman:** Mr. Davison, do you have any further questions?

**Mr. Davison:** Yes, I still don't think you've answered the original question. We are increasing the budget by \$1 million a year, and I just cannot see that the \$1 million a year is simply the added abuse of the tie-line privilege, but that's the story.

**Hon. Mrs. Scrivener:** It's just an out-and-out increase in charges for telephone services.

**Mr. Davison:** And the abuse of the tie-lines. And that's aside from the money that's been taken out of that part of the budget. It's a very drastic increase.

**Mr. Angus:** I would like to pursue that point on the tie-lines. As one who, by necessity, has to use the phone system to a great extent because of the—well, why not?—the isolation of being in Toronto, I have been very frustrated with it.

Many times in the evening, during the supper recess, I've gone back to my hotel room and tried to use the tie-line by phoning the Toronto number. I've never been able to get through, at least in the last couple of months. I can't get to the switchboard here to get to Thunder Bay. Consequently, I have one of two choices. Either I can wait and keep trying, or I can phone using the credit card. I value my time more than I do the dollars and cents cost difference for the telephone call.



Interjections.

**Mr. Angus:** Well, okay I knew there would be some eyebrows raised.

**Mr. Davison:** Except he is worth it.

**Mr. Angus:** Thank you. No, but in terms of the member's time—and we all know how very tight it is. Maybe the members from the Metro area cannot appreciate the fact of being away from home for five days and having very little time to meet with your constituents, and having to communicate by phone. If you have to wait for half an hour to get through, when you could have made five phone calls, then I think you have to set that priority.

**Mr. Drea:** Look at those two fellows—they are laughing.

**Mr. Angus:** Maybe it is the way I work, but that is my concern. Also, I have had the extreme difficulty in getting out from Thunder Bay to Toronto via the tie-line. I'll tell you, I would rather use it. It is easier; it is faster than going through the operator with a credit card call. In fact, we have had discussions within caucus about the need to use it.

I would just ask you to think about the point my colleague, Mr. Davison, has raised about cities where it is obvious that the number has gotten around, through whatever means, and that there be a change. I realize that in itself may cost something, but if we can cut down the usage—I know it is not just the lawyers in Hamilton who have the numbers. They have them in Thunder Bay, too—at least this is what I have been told.

The second thing is, if there is—

**Hon. Mrs. Scrivener:** May I just respond to that before you go on?

**Mr. Angus:** Yes.

**Hon. Mrs. Scrivener:** You would think that in the evening, making a telephone call on the tie-line from your room in the hotel in an off-hour, it should go through like the snap of a finger.

**Mr. Angus:** That's right.

**Hon. Mrs. Scrivener:** And it should. There are 13 tie-lines to Thunder Bay.

**Mr. Angus:** Okay, but remember my problem is getting to the switchboard in Toronto.

**Mr. Drea:** What?

**Mr. Angus:** To the switchboard. I won't read it out, but the number that I have on

my little yellow card that the Toronto number—

**Mr. Drea:** Oh, it's 3121.

**Mr. Davison:** You see, there is the problem; he has been telling everyone.

**Mr. Angus:** No, but I can't get the operator. I can't get the operator—

**Mr. Drea:** Your colleague never had to wait.

**Mr. Angus:** —to connect me to Thunder Bay. That's the switchboard here. If I am in my hotel room calling the number that is listed on my little yellow card, I can't get that number; I have tried many times.

**Hon. Mrs. Scrivener:** Are you not able to get into our main switchboard—1211—and have it relayed?

**Mr. Angus:** I wasn't aware that that could be done.

**Hon. Mrs. Scrivener:** But you can.

**Mr. Angus:** I just was going by this number.

**Hon. Mrs. Scrivener:** Sometimes on a Sunday, if I want to make a call out on a tie-line from my home, I can telephone from my home into the switchboard here, and they will then relay my call on the tie-line, so that it costs the government nothing beyond that operator's time.

**Mr. Angus:** I am sorry, Madam Minister—

**Mr. B. Newman:** I do that all the time.

**Mr. Drea:** Everybody does.

**Mr. Angus:** There is a number in here—it is the 1211 number—and that is the number I am calling in the evening, and I can't get an answer. The times that I have tried I can't get somebody to answer the phone.

**Mr. Drea:** Why don't you try the phone book?

**Mr. Angus:** No, it is the right number.

**Mr. Drea:** It's in the phone book.

**Mr. Angus:** But, nobody is answering it—and it is busy. That is the point I am making. I can't get through to get connected to the tie-line.

**Mr. B. Newman:** What time of the day is this?

**Mr. Angus:** Between 6 and 8 p.m. in the evening, the supper hour.



I don't know, maybe it just works out that all the members have wandered back to their hotel rooms or their homes and they are doing some phoning.

**Mr. Drea:** To Thunder Bay?

**Mr. Angus:** No, to the switchboard. The switchboard here in Queen's Park; that's the number I can't get.

**Mr. Drea:** Look, I will tell you, I have never phoned that number, even in the middle of the afternoon, that I haven't got the number. Sometimes they told me they were busy and they couldn't make a tie-line call, but that number—

**Mr. Angus:** I can't get through from my hotel.

Okay, aside from that, I am wondering whether—with so many people using the tie-lines and the assumption that a lot of the people are those who have no legal right in using them—what we need in this province, when you add up the dollars, is a Zenith number for Queen's Park. It might work out that you could provide Joe Citizen with that kind of service, and provide the members and the designated employees of the government of Ontario direct access to Queen's Park on a private system, and not overload anybody.

**Hon. Mrs. Scrivener:** I think the Zenith lines have been explored and are considered to be very much more costly.

**Mr. Angus:** A second question I have. Are the telecopiers and special phone lines that connect them included in this vote as well?

**Mr. Strauss:** We have the lines, but not the telecopiers.

**Hon. Mrs. Scrivener:** This is Mr. Towers, our director of telecommunications.

**Mr. Towers:** Mr. Angus, presumably you were referring to facsimile machines that can be acoustically connected to the network?

**Mr. Angus:** Right.

**Mr. Towers:** We do not provide the telecopier advice. We provide the telecommunications link only. We provide advice and counsel to clients who ask for advice on how to use them, but we do not provide these ourselves. So any cost for telecopiers or facsimile devices would not be included in this.

**Mr. Angus:** But the lines would be, the telecommunication links would be?

**Mr. Towers:** That is correct, unless of course it's a discrete ministry system where they would not have access or would not be able to use the common service facility. In this case, we would either purchase that, using the power of purchasing we have and recover the cost from the ministry in question, or we would have the ministry billed directly for that service.

**Mr. Angus:** Are there separate tie-lines that are designated for these to the telecopiers?

**Mr. Towers:** No, at the present time there are none.

**Mr. Angus:** So do they use the tie-line system or do they use direct dial calls?

**Mr. Towers:** They use the tie-line system where they are trying to communicate with a point that is serviced by our network.

**Mr. Angus:** Are there special telephone numbers within the 38 or 45 cities where the tie-lines connect that are only used for telecopier procedures?

**Mr. Towers:** No.

**Mr. Angus:** There aren't, eh? Is it possible to indicate how many of the ministry offices utilize telecopiers? Would you have a figure on the number of units in use and the number of ministries that use them?

**Mr. Towers:** Throughout government?

**Mr. Angus:** Throughout the government of Ontario, yes.

**Mr. Towers:** I don't have a precise figure. It's a mode that is increasing in popularity all the time, but I do not have a precise figure on how many, in fact, are in use.

**Mr. Angus:** And the cost of the telecopiers is paid for by each ministry?

**Mr. Towers:** That is correct.

**Mr. Angus:** So there is no actual figure under your ministry as to that cost?

**Mr. Towers:** No.

**Mr. Angus:** As it is a method of communications and in terms of the operation of the Legislature it is probably used quite consistently for getting a very quick reply from a ministry office so that the powers that be may get a complete update, or vice versa, a directive, shouldn't the rental of telecopiers and everything that relates to them be under the umbrella of the Ministry of Government Services?



**Hon. Mrs. Scrivener:** It would be pretty hard to decide what was and what wasn't in each ministry, since each has its own Xerox machines and so on. These are all means of communication. Even a typewriter is a means of communication. I just don't know how you could make a saw-off, Mr. Angus.

**Mr. Angus:** In terms of dissemination of information from Queen's Park, you basically operate the telephone system, you operate the mail system, and a telecopier in a combination of the two. It's sending a letter over a wire and it just happens to work a lot faster than some of the other situations. I think very strongly that this should come under your ministry, even just for the fact that we would be able to see the cost of it. Thank you, Mr. Chairman.

**Mr. Swart:** Mr. Chairman, I wanted to go back to the discussion about tie-lines for just a minute and perhaps to defend some of my colleagues—by that I mean all of the MPPs—with regard to the high cost of telephone bills sometimes.

As you know, Madam Minister, during the first three or four months when I was a member, I would say there was not more than one time out of 10 that I could get through to the Welland area on the tie-line during the daytime hours. Since that time, and after a letter from me—it probably would have been done on your own initiative—there were two additional lines added to the one that was there, and I've had no problem since. But if there are other members who were in the same position that I was in, practically all of the calls in the daytime had to be made long distance and there was no other alternative. [9:00]

I also want to defend my colleague from Fort William about the value of time. I suppose most of us, at least back-benchers, spend at least one-quarter of our waking hours with a phone to our ear, and if you make four calls instead of one or even two to get through to the people you want to talk to, that one-quarter of the time becomes one-third; with the demands on a member's time it's simply impossible to wait for a line to become free. I just wanted to defend him when you were talking about those large phone bills from some other members; it may have been they had a line like I had for some time.

**Hon. Mrs. Scrivener:** Since January of this year, we have had 13 tie-lines to Welland.

**Mr. Swart:** In any event there's no problem any more; it's only very occasionally that

the line is busy, perhaps once out of four, and we can live with that sort of thing.

I wanted to ask a question or two about this. I would like to ask, first, how often is the number changed? There certainly is extreme abuse in the number being given out, so I'd like to know how often the number is changed.

**Hon. Mrs. Scrivener:** The last change I can remember was something like a year to 18 months ago.

**Mr. Swart:** I might also ask, is it common practice, at least for former government members, that the members who may have been sitting in those ridings before are given the new tie-line number?

**Hon. Mr. Scrivener:** I've never heard of that. It just circularizes to those people who are entitled to that.

**Mr. Swart:** I'm not really talking about circularizing it; I'm talking about whether, officially or unofficially, those ex-members have continued to have the tie-line number to use.

**Hon. Mrs. Scrivener:** Not that I know of, Mr. Swart. It goes to government members and certain civil servants and others who are entitled.

**Mr. Swart:** May I ask specifically whether the former member in my area has the tie-line number?

**Hon. Mrs. Scrivener:** I wouldn't be aware—

**Mr. Drea:** That's a pretty substantial charge you're levelling, Mr. Swart.

**Mr. Swart:** I'm not levelling a charge, I'm asking a question.

**Mr. Drea:** You've asked it twice. As far as I'm concerned, you're levelling a charge. Are you prepared to back it up?

**Mr. Swart:** I'm asking a question.

**Hon. Mrs. Scrivener:** I assume that he would have access to the information since there have been no changes since the election last fall.

**Mr. Swart:** So there are no instructions—

**Hon. Mrs. Scrivener:** So anyone who was privy to that information—

**Mr. Swart:** —of that nature to supply to members—



**Hon. Mrs. Scrivener:** I'm only saying to you that anyone who was privy to that information is obviously still in possession of such information.

**Mr. Swart:** I'm wondering, from that point of view and from other points of view—

**Mr. Drea:** That's a very specific charge, Madam Minister. It's a very specific charge. If he wants to back it up, let him keep talking; if he doesn't, let him drop it.

**Mr. Swart:** I'm not making charges; I'm asking a question, and I think I have a right to ask that question.

**Mr. Drea:** Oh, you never make any charges; you do it by innuendo and everything else. Now make one or don't!

**Hon. Mrs. Scrivener:** I really do not know, Mr. Swart; I am not privy to such information.

**Mr. Swart:** May I then ask the question, would there be wisdom in changing the number more often if there is substantial abuse?

**Hon. Mrs. Scrivener:** Obviously it would be advisable, I think, to change it every month in order to protect the secrecy of those numbers, but it's very costly to do that.

**Mr. Swart:** I realize it would be costly but I'm wondering, on balance, if there is the abuse which you have intimated, whether there would be wisdom in changing more frequently. Is it once every six months now or not that frequently?

**Hon. Mrs. Scrivener:** No.

**Mr. Swart:** It is changed, though?

**Hon. Mrs. Scrivener:** Yes.

**Mr. Swart:** Is it changed on a regular basis or when you think there is abuse? What is the answer to that one?

**Hon. Mrs. Scrivener:** What you're suggesting, and the kind of comments I'm hearing this evening, seem to indicate to me that perhaps at this point too many people have the numbers and a change is about due.

**Mr. Swart:** That's all, Mr. Chairman.

**Mr. Drea:** Mr. Chairman, I'm going to say something I've said twice in the last 30 seconds. Now, I'm talking to you, Mr. Swart. If you have something which says that a former member is abusing the telephone system of this province and therefore defrauding the taxpayer, then my friend, here is the

opportunity. Bring it forward. I'm getting a little bit tired of this. I have sat through this particular committee—

**Mr. Swart:** You're getting a little touchy.

**Mr. Drea:** No, I'm not getting a little touchy, my friend. I'm not getting a little touchy at all. But I've sat through this committee and we have gone through innuendo after innuendo after innuendo. I haven't seen you around here before tonight, so I presume you are a parachute person. I don't know whether you are substituting or not, but I'm getting a little bit tired of it.

**Mr. Swart:** Maybe your eyes didn't focus properly, but I've been here several times.

**Mr. Drea:** Oh, have you?

**Mr. Chairman:** Order, please.

**Mr. Drea:** Well, then you certainly haven't been very vocal.

**Mr. Chairman:** Order, please. Would you direct your question through the Chair to the minister, please?

**Mr. Drea:** First of all, I want to try to be very helpful to some of the members. I can recall the time, when the father of the member for Hamilton Centre was here, that there was a column written by an NDP colleague of his, Dr. Shulman, which talked about Mr. Smith.

**Mr. Davison:** My father was not responsible.

**Mr. Drea:** Your father contributed a great deal to Mr. Shulman's column and I would hope you would read it. That particular column dealt with a Conservative member by the name of John Smith. It dealt with the exact amount of moneys paid out by the government telephone system on direct-dial long-distance calls. All right? If I remember correctly, and it was two or three years ago, it was somewhere in the vicinity of \$900 in a month.

At that particular time, the NDP member, who was Dr. Shulman, polled other people in Hamilton as to what their phone calls were. I can recall that he talked to my good friend, Mr. Gisborn, who is now retired, and Mr. Gisborn did not have one long-distance phone call that month. Mr. Gisborn found the phone service exemplary.

I can recall that Dr. Shulman talked to Mr. Davison—not you but your father—who was the member there. He found the direct-dial system most satisfactory. I can recall that



he talked to Mr. McNie, who at that time was the member for Hamilton West. Mr. McNie found the phone service most satisfactory.

Dr. Shulman asked the question that if it was so satisfactory in the rest of Hamilton, what about John Smith? Now, I don't want to discuss the merits of Mr. Smith. I just want to point out that when there was not at that time the present advanced type of direct-dialing into Hamilton, all the members found it very satisfactory. I find it, quite frankly, very disturbing that after all the remedies which were put in after that time, people still find a busy signal, and I'm just like the rest of you. When I use the direct-dial numbers, I find it very disconcerting to find a busy signal once or twice.

Now then, perhaps I can offer you a little bit of help. If you will dial it four straight times, at that particular time, there are three busy signals. At that particular time, you find out what is known in the trade as a hot wire. You jump in and you get your phone call.

As somebody from Metropolitan Toronto, perhaps I don't have to use the tie-lines much. But I like to be thrifty on behalf of the government service, especially since you people like to look at my expense accounts with extraordinary care—including the man who wonders about the eyes in focus. I can tell you that you dial it fast three times in a row, you get a hot line a fourth time, and you jump in ahead of everybody else.

I can tell you the most busy signals on a tie-line are on the one to Ottawa, and I think that is with good reason. There is probably more volume of business between the federal government in Ottawa and ourselves than anything else. You will never have to dial more than five times in succession before you will get an open line to Ottawa. The second busiest is London. I know not why London is busy. Four times will do it to London.

I suggest to you that the tie-line system in this province, provided it is used within reason, is extremely good. Three times over my career, which has only spanned five years, the numbers have been changed. They are not changed by one digit so that you can figure it out. They are changed very substantially. As a matter of fact, you will find out when you talk to some other members that when they do change the numbers and when they change from a green printed card or a blue printed card to a yellow one, it ties people up for a little bit of time because you get used to dialling a number that is somewhat familiar.

But the system is good, in view of the amount of business that's carried on, and in view of the number of phone calls that can be made to limited areas, and I say that with all due respect to the member for Thunder Bay. It is a limited area because there just isn't that type of volume as compared to Ottawa or Hamilton.

Okay, I have found it to be an extremely efficient system. I will tell you when I first came in here that if it was busy, when I dialled the first time, then I was right on to the regular telephone operator.

As far as the night number here is concerned, the Empire 3-1211, I have never found an occasion when it has been busy. Maybe at 10 or 11 o'clock at night it has rung and rung and rung, but I can understand that. I don't expect the same team of switchboard operators there at four or five o'clock to be there at 11 o'clock at night and I am prepared to let the thing ring.

I really think in terms of what was there four or five years ago that it is a very efficient system. It is very efficient for us who have to use it, and as I say, I share your frustrations.

**Mr. Angus:** Can I just correct something there?

**Mr. Drea:** Yes.

**Mr. Angus:** It doesn't ring. It's busy. That was my point, it was busy. It's not that the operator was busy but the lines were busy.

**Mr. Drea:** Okay, I will tell you. We will go out tonight and I will show you how to dial a busy number so it rings the next time around, when there are lots of lines there. I spent 20 years in the business where you learn how to do it. It's that simple.

But I will say, Madam Minister, that the phone system does work well. I would also like to say something on behalf of people when you call in from out of town and you tell—

**Mr. Mancini:** Frank sounds like the minister—

**Mr. Drea:** Oh, not in this ministry, my friend, not in this ministry. I would also like to say something—since these people seem to be extraordinarily busy and I suppose, once again, there is the innuendo from the people who aren't here very much that the phone is off the hook. I would like to say to them that I have called in from all parts of this country. I have saved the taxpayers of this province a considerable amount of money by



dialling in here and asking the switchboard to connect me. They have always connected me. They have always done it with very great dispatch. They have gone to extraordinary lengths if it happened to be the wrong number and it was my fault.

They don't leave you on the line. I just wouldn't like to leave the impression that somehow the people who come in here after 6 o'clock at night are so overworked, or have other things to do so that the line is always busy, because it just doesn't turn out that way. Perhaps, in the words of the Bell Telephone Co., maybe it's in the way you dial. I would be very glad to show you because your father never had any trouble. Your father got through every single time he was in the press. Now if you don't want him to teach you how to dial, I would be very glad to.

**Mr. Mancini:** Let your fingers do the walking.

**Mr. Ruston:** You say you have these tie-lines. What would one line cost into Hamilton? You say you have 34 lines. What is it per line? Have you got a price on that?

**An hon. member:** We don't have that.

**Mr. Ruston:** This is telecommunications. I don't think this is where the other thing I was going to ask about might be covered. Where does Mr. StuParick, the public relations man or the press man for Government Services come in all these estimates?  
[9:15]

**Hon. Mrs. Scrivener:** Legislative assembly—Government Services, I am sorry.

**Mr. Ruston:** He's been transferred, has he?

**Hon. Mrs. Scrivener:** No, he's been in this building ever—

**Mr. Ruston:** No, I mean he was in this ministry?

**Hon. Mrs. Scrivener:** Yes. He reports to Mr. Laws.

**Mr. Ruston:** Because I have heard some of his reports on the radio; Andrew StuParick reporting from Queen's Park, Government Services. I just wanted to know. He is transferred out of your ministry now?

**Hon. Mrs. Scrivener:** No, he is in my ministry; he reports to Mr. Laws. And that is an item we passed last Thursday.

**Mr. Ruston:** Okay, thank you.

**Mr. Chairman:** Item 11 agreed to then; next is item 12, insurance and risk management.

**Ms. Bryden:** Mr. Chairman, on this item I would just like to know what progress we are making toward self-insurance. What percentage of our automotive insurance and our fire and theft insurance is self-insured? I see the annual report says they are studying loss prevention in order to reduce the losses associated with government self-insurance, so presumably we have some. I would like to know roughly what the ratio is.

Secondly, I would like to know, in the auto insurance field, how many—

**Hon. Mrs. Scrivener:** Could we take it one at a time?

**Ms. Bryden:** Okay.

**Hon. Mrs. Scrivener:** We have the director with us, Mr. Vamplew. I wonder if you could just comment on that first question, Mr. Vamplew.

**Mr. Vamplew:** The first part of the first question, I believe, concerned fire insurance?

**Ms. Bryden:** Fire and theft, yes, or are they separate?

**Mr. Vamplew:** I would say we are probably 99 per cent self-insured with fire insurance at the present time.

**Ms. Bryden:** And what about theft?

**Mr. Vamplew:** Concerning theft, we are 100 per cent self-insured. Concerning boiler machinery, we are 100 per cent self-insured. Concerning liabilities, we are carrying liability insurance on all functions at the present time. Concerning collision, which is property damage on vehicles, we are 100 per cent self-insured.

**Ms. Bryden:** And what about public liability?

**Mr. Vamplew:** We do carry full public liability coverage.

**Ms. Bryden:** What insurance is tendered out to agencies?

**Mr. Vamplew:** All our public liability insurance that we are presently carrying.

**Ms. Bryden:** What I was asking was what you are self-insuring and how much you are tendering out to agencies.

**Mr. Strauss:** Could I just clarify? Property insurance we basically self-insure; public lia-



bility, we carry commercial insurance. So on property damage to our own vehicles we are self-insured; on public liabilities, which may be occasioned by the vehicles, we carry commercial insurance.

**Ms. Bryden:** Can you tell me approximately how many separate agencies provide your public liability insurance on automobiles?

**Mr. Vamplew:** I can give you an estimate now. I could give you the exact number at a later date. But I would say approximately five.

**Ms. Bryden:** And those are obtained by tender?

**Mr. Vamplew:** Those are obtained by tender.

**Ms. Bryden:** How much below the normal commission rate does it usually amount to when you buy by tender, in bulk like this?

**Mr. Vamplew:** By public tender we are not required to specifically ask them in the quotation what the actual agent is taking by way of commission. But by knowledge, we know that in some cases it is down to 1½ per cent.

**Ms. Bryden:** You say there are five companies.

**Mr. Vamplew:** Five agents, or brokers.

**Ms. Bryden:** Can you tell us the names of those?

**Mr. Vamplew:** Once again, I would like a chance to clarify it, because it could be six, it could be seven, it could be four. But the major ones would be Reed Shaw Stenhouse; Johnson and Higgins; Tomenson Saunders Whitehead Ltd.; Marsh and McLennan—and without looking at my notes, which I could supply at any time, I'll stop trying to guess any further.

**Ms. Bryden:** And what about the non-auto insurance that is tendered out; or is there very much?

**Mr. Vamplew:** Are you talking about non-auto policy, or insurance that does not involve automobile insurance, period?

**Ms. Bryden:** That doesn't involve automobile insurance.

**Mr. Vamplew:** Okay, that would be public liability, aviation liability, or GO train liability.

**Ms. Bryden:** Yes.

**Mr. Vamplew:** Okay, these are tendered out—

**Ms. Bryden:** And how many agents are involved?

**Mr. Vamplew:** Possibly the same three or four. This is based primarily on the size of our account. It takes a fairly large brokerage firm to have the staff to work on an account our size. This is normal with any large corporation in Canada.

**Ms. Bryden:** Have you considered whether it would be cheaper to self-insure in those two fields, where you have fairly large tendering out?

**Mr. Vamplew:** Yes, we are definitely doing a study on it. There are several pros and cons as to why you like to have an insurance company between you and the public. In many cases it would lessen the cost if we were doing it ourselves. Adversely, if we were doing it ourselves, we would have to obviously increase our claims staff. We would obviously have to have additional lawyers.

We are weighing the pros and cons right now, and hopefully in the near future we will start by taking a higher deductible. In other words, we will be taking the first \$250,000 and then buying excess over that, which has come into the insurance market more and more in the last two or three years.

**Ms. Bryden:** Of course, you need your full claims staff if you are going to take a large deductible. But, anyway, there is a study going on. Will you be publishing a report as a result of the study, or on the findings?

**Mr. Vamplew:** We will be making a report to Management Board in due course. Mind you, we are a fairly new unit, so we want to collect at least two years' figures. Insurance companies traditionally work on three years to find out what their loss ratio is. You can have that million dollar claim in the third year.

**Mr. Davison:** I would like to know whether or not the unit has any work done for it by people outside of the Ministry of Government Services.

**Mr. Vamplew:** You mean a consulting or private outside consultant? No, we don't.

**Mr. Davison:** None at all.

**Mr. Vamplew:** None at all.

**Mr. Davison:** Do you feel your unit is large enough that you can properly deal with



the question of insurance? Insurance is a very difficult question, because there are so many sides and angles to it.

**Mr. Vamplew:** That could be a two-part question. Are you talking about the expertise in buying insurance, or the claims—this type of thing?

**Mr. Davison:** No, I'm more interested in the studies you are doing to determine the feasibility of self-insurance on a larger scale.

**Mr. Vamplew:** I would say at the present time in Canada, consulting is rather a new type of industry. It is not fully developed here, like it is in the US, where there is much more expertise in the private consulting field. In Canada, consultants primarily consist of about 400 people working formerly in insurance companies. I'm sure in the city of Toronto you could probably count the number of consultants on one hand.

**Mr. Davison:** Does most of your documentation come from the private insurance sources?

**Mr. Vamplew:** I'm sorry?

**Mr. Davison:** You have to have certain figures to work from, and I assume you just don't use the ones you have at hand in your little workshop—that you get figures from outside. Does most of your outside figures and information come from private insurance companies?

**Mr. Vamplew:** I would say through various associations that I belong to on behalf of the Ontario government—for example, the insurance managers organization, Statistical reports produced by various insurance journals and which I have access to. For my own underwriting specifications—obviously, I have to go to our own ministries. But I'm not really sure what information you would be thinking of.

**Mr. Davison:** I understand what you're saying. One final question. In this unit, have you done studies of other provinces which are very heavily into self-insurance?

**Mr. Vamplew:** We have, through various conferences, talked to the Province of Quebec. We hope to meet with somebody in Alberta who has a situation similar to what we have here in Ontario. I've yet to be able to find anyone in BC or Manitoba in the same position, possibly because of their unique insurance programmes.

**Mr. Drea:** Can't be bankrupt.

**Mr. Davison:** Don't you think it would be a—

**Mr. Drea:** We could do that, too.

**Mr. Davison:** No, we're not talking about car insurance.

**Mr. Drea:** Do you want to pay the premiums in my riding? Do you want to pay the \$5 million that—

**Mr. Davison:** Don't you think it would be a good idea for your unit to take a look at what all of the provinces in the country are doing, as perhaps a better way than depending upon the private companies and organizations?

**Mr. Vamplew:** Oh definitely.

**Mr. Davison:** You will be doing that in the future then?

**Mr. Vamplew:** We are trying to make contact. We haven't yet made contact with Quebec and we are making contact with Alberta.

**Mr. Davison:** If you have trouble with Manitoba and Saskatchewan come up to my office. I'll make some phone calls for you.

**Mr. Chairman:** Mr. Swart, proceed.

**Mr. Swart:** Just one further question. If you're doing a study you'll probably be dealing with this, but I'll ask the question in any event. Under your public liability do you have a rather major deductible clause on it, or any bulk deductible such as many of the large municipalities have?

**Mr. Vamplew:** No.

**Mr. Swart:** Would it not be wise to consider this?

**Mr. Vamplew:** This will be our next step, obviously, to look into this area. But as you can appreciate we don't now have it, with the exception of the GO train insurance where we carry a very large deductible because of the requirements of the insurance market. But the deductible has not been recognized to its full extent on a very large account here in Canada, or in North America for that matter. It is coming in. Companies are starting to think in terms of large deductibles for organizations such as ours; we are obviously very keen and are studying it at all times.

**Mr. Drea:** Just out of curiosity, since it's my riding and I want to make sure that everybody is paid 100 cents on the dollar, tell me how much self insurance would cost



you on a GO train in the accident last year. Is it \$3 million, \$4 million, \$5 million?

**Hon. Mrs. Scrivener:** Do you have any figure on that?

**Mr. Drea:** No. It's a nice question. You've got it down, you've got it budgeted and it's my riding.

**An hon. member:** They aren't going to court.

**Mr. Drea:** I would hope they didn't have to go to court. I would hope the government would pay dollar for dollar in a fair claim before it went to court. I'm just looking at what you have down here, which is \$146,800. Do you want to tell me what the claims might be on the GO train accident in my riding? You know, just a ball-park figure.

**Mr. Vamplew:** You are referring to the one with the bus?

**Mr. Drea:** Yes.

**Mr. Vamplew:** Presently there are three to five writs coming in. We do not feel we will be involved in that particular claim.

**Hon. Mrs. Scrivener:** If we were, how much? What would the liability be?

**Mr. Vamplew:** On the cost of the damage of the actual collision? If we're not sued we cannot have an estimate.

**Hon. Mrs. Scrivener:** We don't know the answer beyond the figures that have been tossed about in the press.

**Mr. Drea:** I would think they would be considerably more than your insurance and risk management, which is at \$146,000.

**Hon. Mrs. Scrivener:** I would think—

**Mr. Drea:** Without getting into the merits of who hit whom or where, or all the litigation and all the lawyers who have to be retained; since the question has been raised that maybe you should have self insurance because it might be cheaper, I'm just raising the matter in that context.

**Mr. Vamplew:** For example, on the GO train physical damage we did a study to find out the cost. We're talking about \$24,000 physical damage compared to possibly \$300,000 worth of premiums. So conceivably it paid us to self-insure.

**Mr. Drea:** Well, on that accident the physical damage to the GO train would be the

cheapest thing; that would be almost incidental.

**Mr. Chairman:** Shall item 12 carry? Carried.

I'd just like to remind the committee we have one hour left for sitting tonight and I was informed by the House leaders prior to sitting that they would try to complete the estimates of the Ministry of Government Services. That leaves us one hour for eight more votes, so I hope you will govern yourselves accordingly.

Item 13.

**Mr. Davison:** I'd like to know how these fund allocations are determined. Can anybody apply or any group apply and they just automatically get the money?

**Hon. Mrs. Scrivener:** No.

**Mr. Davison:** We're talking about the hospitality fund.

[9:30]

**Hon. Mrs. Scrivener:** Yes, I understood that. Just a moment; let me tell you about it.

We have some guidelines that we use. Generally we receive a great many applications from a variety of groups asking for hospitality for one event or another. In order to sort them out and undertake our role as responsibly as possible we use this sort of approach. We will provide grants to provide hospitality on the occasion of national or international events—that is conventions, championships, things of that sort—which are being held in Ontario. We provide for the visits of foreign dignitaries. We provide for annual meetings of provincial associations in exceptional circumstances—for instance, if they are the host province entertaining perhaps some international event.

We do major government ceremonial functions. In the past we've done breakfasts, coffee receptions, lunches. Wine and cheese receptions are very popular at the present time; we do dinners less and less.

It's the job of this particular function of government to provide for special events of the nature I've outlined; to administer the hospitality fund; to liaise with the consular corps of Toronto and to handle inquiries concerning official protocol and social etiquette.

**Mr. Davison:** Basically anybody holding a national or international event in Ontario would be broadly within your guidelines?



**Hon. Mrs. Scrivener:** Not always; because some people had an international or a national kind of function one year they came to the point where they began to think it should happen to them every year. What we've done now is we've tried to sort of say: "If you're having it this year, please don't expect it again until 1980 or some such time."

**Mr. Davison:** Okay. You talked about events in Ontario. Why did the Province of Ontario pay \$1,000 for a dinner at the winter meetings of the major baseball leagues in New Orleans?

**Hon. Mrs. Scrivener:** I don't know. Do you know, Mr. Borosa? Mr. Borosa, our chief of protocol, is here with us.

**Mr. Borosa:** The application for this particular grant came from the Metro chairman; and after some review it was felt that the grant of \$1,000 as a goodwill gesture would be appropriate.

**Mr. Davison:** Are you aware that doesn't fit in the guidelines stated by the minister?

**Mr. Drea:** Come on! That's of international significance.

**Mr. Davison:** I'm sorry; it says in Ontario.

**Mr. Borosa:** One of the guidelines, as the minister pointed out, is exceptional circumstance.

**Mr. Drea:** You're the kind of guy who'd send the Queen to McDonald's!

**Mr. Davison:** Can I use that in my election literature?

**Mr. Drea:** Yes, why don't you?

**Mr. Chairman:** Order please. Mr. Borosa was answering the question.

**Mr. Borosa:** This is the only grant of this type which was ever given from the hospitality fund; the only function which was outside Canada. We did do one more outside Ontario and that was last year. In 1974 Ontario won the international tuna fishing tournament in Nova Scotia and it was up to our team to host a dinner in Nova Scotia for every other team; we gave them \$750.

**Mr. Davison:** I want to come back to the point of precedence for going outside the guidelines later on. Before we do that, there's an item listed here as \$1,596, miscellaneous. Is that exclusively for the printing of various menus and invitations?

**Hon. Mrs. Scrivener:** For what?

**Mr. Davison:** It's called miscellaneous, \$1,596, on page 31 of the public accounts; at the end of the hospitality section. That's exclusively for printing charges?

**Hon. Mrs. Scrivener:** Yes; every time there's an event, if we are involved with it we keep a little record of printing costs. We must definitely provide for that.

**Mr. Davison:** The reason I ask it is that when I first saw the \$1,596 miscellaneous, I assumed that they were exceptionally small charges and that they really weren't worth listing in their entirety. I noticed you paid a contribution of \$5, which was a service charge for a cancelled luncheon for USSR students; so there are some very small amounts of money listed. Would I take it that these charges in miscellaneous are so small they're even under \$5 or \$6?

**Hon. Mrs. Scrivener:** I would think we just keep a very close record and everything that is very small is dumped into that. We must definitely have to do invitations, and if we ran out of envelopes somebody might have to provide more envelopes and I suppose that would be charged against that account, and so on.

**Mr. Davison:** Would I be right in assuming the groups that got the \$1,596 would generally be the same sorts of groups that got the rest of the money?

**Hon. Mrs. Scrivener:** I can't really tell you that. You don't rate them in that way. It has to do with the application and the numbers of people, and whether they're doing something that's of importance to Ontario or whatever. It is definitely the Ontario government's hospitality to that group.

**Mr. Davison:** The point I want to make, briefly, is this: It's not a separate sort of group of people that are getting just a couple of bucks? They're the same as anybody else?

**Hon. Mrs. Scrivener:** Yes.

**Mr. Davison:** Okay. When we subsidize dinners and luncheons it seems to be largely for professional associations. There is a huge list of examples here. Some of the bright points are: \$5,744 for the annual convention of North American Tax Executive Institute; \$6,147 for the International Conference of the Union of Pan American Association of Engineering; and a modest \$20,000 for the na-



tional convention of the Canadian Bar Association.

What I can't understand is why is the hospitality fund so inhospitable when it comes to lower income groups and associations?

**Hon. Mrs. Scrivener:** I don't think it is. It depends on who wants what. It depends upon what they ask for. For instance, here is the Kinsmen's Club. They asked for wine and cheese for 800 people. All right, so we provided wine and cheese. They didn't ask for a dinner. I don't know if we would have provided them with a dinner but they didn't ask for it.

**Mr. Davison:** Do you get any requests at all from low-income groups like anti-poverty leagues?

**Hon. Mrs. Scrivener:** Oh, I think so.

**Mr. Davison:** Do you get any groups from associations like trade unions?

**Hon. Mrs. Scrivener:** I think so. You see, the fact is that most definitely we are reducing the amount of our grants for hospitality purposes, simply because we don't think we can maintain it at its present level because the same money doesn't go as far any more. However, very definitely we respond in terms of the application. We are usually dealing with an event, something laid on, like a two- or three-day conference or a convention. They say: "... and we would like the province to entertain," and whatever it is they want us to do.

**Mr. Davison:** I went through the list fairly carefully. I think I read just about every single entry. I didn't see any citizens' groups in the list, nor did I see any trade unions. They do hold conventions and conferences, and sometimes they are two and three days long. Does that mean that no trade unions applied and no citizens' groups applied?

**Hon. Mrs. Scrivener:** I've never had a request since I was appointed to this office.

**Mr. Davison:** Do you find it odd? I find it odd. What reason do you imagine there is for your professional associations applying and trade unions and citizens' groups not applying? How do you disseminate knowledge of this—I guess some people could call it a slush fund? How do people find out about this?

**Hon. Mrs. Scrivener:** A great many people do seem to know about it. I don't know how

it's handed around, unless it's by word of mouth or reading about the function in the newspaper. For instance, I noticed that in the last fiscal year we entertained the second national Highland Games at Ottawa. Presumably, that's a group of Scotsmen; how did they find out? I don't know.

**Mr. B. Newman:** If it was free they'd ask for it.

**Mr. Davison:** There is obviously no problem in figuring out that one.

**Mr. B. Newman:** I don't blame them.

**Mr. Davison:** I'm not going to press you on it but I would say to you that I find it exceptionally suspicious. I've got an entire list of people in front of me—thanatologists; pathologists; lawyers; insurance agents; the medical association; editors' associations; psychiatric associations. I don't find one trade union and I don't find one citizens' group on the entire list. I think it's strange and I think it says something about government in this province.

**Hon. Mrs. Scrivener:** I don't think so. For instance, here's the 60th anniversary of the Ontario Nickel Belt Club at Sudbury. They had a do in July. I think they found—

**Mr. Drea:** What about the time I went to Sault Ste. Marie?

**Hon. Mrs. Scrivener:** Here's the national convention of the Benevolent and Protective Order of Elks and the Order of Royal Purple in Sault Ste. Marie; the international convention of Circle K; the ninth national convention of the United Church AOTS Men's Clubs at Ottawa. I think it's a very broad and varied list. The Ontario Provincial Command of the Royal Canadian Legion at Waterloo; the Hungarian-Canadian Federation's world congress of free Hungarians; the Dieppe Veterans' Reunion; the annual Police Association of Ontario convention—that's a union.

**Mr. Davison:** You see, we found one. I understand what this list is about and I think it shows that our measurements are somewhat dissimilar when it comes to suggesting what groups are representative of the people of the province.

**Mr. Drea:** Why don't you let Mr. Borosa tell about the time I went to the National Union of Students? It was very entertaining and we paid for the whole thing.

Why don't you let Mr. Borosa tell about the times he put on dinners for the anti-



poverty group? I think it is very unfair that you are looking at a list this year and looking at it with very prejudiced eyes. Let's look at it over two or three years.

I have never known anybody like Mr. Borosa to put on functions which didn't embarrass anybody. He puts on a function according to people's means and he does it with discreet good taste. Let's look at some of the other ones and I'll talk about some of the ones I have been to in case Mr. Davison worries about whether there were citizens' groups or not.

Hon. Mrs. Scrivener: I think the fact you didn't find a particular thing in any given year doesn't mean we haven't done it. It's only that we don't do it automatically every year on a recurring basis.

For instance, here's a visit of Eskimo students from Rankin Inlet in the Northwest Territories and students of Brampton Centennial Public School. They were twinning those two schools. Also here's a visit of students from Northern High School in England. I think we've done some very interesting and some very basic entertaining, Mr. Davison.

Mr. Davison: I think it has been very interesting. If you think the International Federation of Thanatologists Associations is more representative of the people of Ontario than the United Steelworkers or the UAW, that's fine.

Hon. Mrs. Scrivener: I don't know if they have ever asked us. Have they ever asked us, Mr. Borosa?

Mr. Borosa: I am just trying to find it. We did the hospitality function on the occasion of the Canadian Labour Congress in Ottawa. To my recollection in the last five years this was the only major function requested by the so-called trade union organizations.

Hon. Mrs. Scrivener: Here's the international festival of poetry; I think that's an important one too. Each has merit of its own.

Mr. Ruston: Mr. Chairman, I did read off a number of these items when I was making my leadoff and I don't want to belabour it. There's one on page 31 of 1974-1975 public accounts which I'm curious about, because I want to know where it's from—Prime Minister of Lesotho, a luncheon. It wasn't a very large amount, \$276; can you tell me where that is? [9:45]

Mr. Borosa: Yes, the visitor was a very prominent statesman from Africa, Chief

Leabua Jonathan who is the Prime Minister of a country called Lesotho. It is the kingdom of Lesotho and it is located within the confines of South Africa.

It's a very small country. It primarily exists on income received from South Africa, and it's the only one of the African states that still maintains friendly relations with the South African government. Mr. Jonathan was here in Canada to be honoured by Brock University, where he received an honorary doctorate of laws. He was in Toronto with his small entourage of five people and a lunch was given by the Province of Ontario on the occasion of his visit at Ontario Place.

Mr. Ruston: Your scrolls and so forth come under this, and I see in the latest report that 23,204 official documents were processed, while 6,433 congratulatory scrolls were presented to Ontario citizens. Would that be the total of the scrolls that are used for 50th anniversaries, 60th anniversaries, 90th birthdays and general congratulations on special occasions and so forth? Do you have a total of those for one year?

Mr. Borosa: I have the breakdown here. In 1972-1973, I had 5,297; in 1973-1974, 6,362; in 1974-1975, 6,433; and last year, 1975-1976, we had 7,188. If you're interested in the breakdown; for birthdays it's 2,098, for weddings it's 4,043 and special scrolls is 1,547.

Mr. Ruston: Do you ever figure about how much you feel it costs to have one of these scrolls made up?

Mr. Borosa: Yes, \$8.35. That's the complete cost, mailed out.

Mr. Chairman: Anything further, Mr. Ruston?

Mr. Ruston: No, I guess not.

Mr. Chairman: Ms. Bryden?

Ms. Bryden: Thank you, Mr. Chairman. The virtues of a restraint programme are that they make us look at things and re-examine the bases on which we have been making expenditures, and this seems to me one account that might be looked at. I notice that the percentage increase from last year's estimate is 17.8 per cent—whether they actually spent the amount in last year's estimate I'm not sure, because we don't have the interim figure—from \$609,000 to \$717,000. The Treasurer's (Mr. McKeough) target for restraint is 11.4 per cent, so this seems considerably above. On the item of services there's actually a 54 per cent increase from last year's



estimate—\$248,700 to \$383,000—and I don't think the price of food or beverages has gone up that much, so there must be a considerable increase in the number of groups getting service.

**Hon. Mrs. Scrivener:** There's a special item in there for Olympics this year, Ms. Bryden. Mr. Borosa, would you like to talk about what we're doing in terms of the Olympics?

**Mr. Borosa:** This year the services which are reflected by \$383,000 has still \$250,000 for a hospitality fund, but in addition to that we have \$60,000 appropriated for the various activities in connection with the Olympic Games. As you are aware, we have three Olympic sites in Ontario—Kingston, Ottawa and Toronto. In addition, we are host to the 1976 Olympiad for physically disabled, so that is the amount of money which will reflect our hospitality toward the athletes and officials who will visit our province during that period, in July and August of this year.

**Hon. Mrs. Scrivener:** In addition, you may know that the Queen is visiting us at Kingston during the Olympics.

**Ms. Bryden:** Could you tell us how much will be spent on the Queen's visit and what kind of activities for the other Olympic athletes?

**Hon. Mrs. Scrivener:** I can only tell you what our ministry is responsible for.

**Ms. Bryden:** That's this \$60,000 that's in this ministry. What kind of activities are being tendered to the Olympic athletes?

**Mr. Borosa:** The Olympic athletes? We are joining hands with the cities of Ottawa, Kingston and Toronto on a matched programme. We are going to meet the athletes as they arrive in each location. We are going to see them to the competition sites and we are going to give them a small buffet dinner at City Hall in Toronto; in Kingston at Fort Henry and in Ottawa at the City Hall.

In addition to this, each athlete will receive a small disc as a souvenir of being in the Province of Ontario during that time. Apart from the active competition athletes, we also have hospitality extended to those athletes who will be eliminated in the preliminary competitions. We have provided seven one-day tours to Upper Canada Village and to Ottawa. We have agreed to pay their transportation on chartered buses and free admission to Upper Canada Village.

**Ms. Bryden:** Thank you. At least the Olympic athletes probably aren't among the over-

fed and over-indulged people who come to some of these other conventions. As we know, morals are changing. It used to be considered that you couldn't entertain without alcoholic beverages. I think I've noticed the ministry is moving to cash bars and I hope that's going to be a trend in more and more affairs, because most health officials now agree that a lot of people would be better off without as much alcohol. Certainly conventions are a place where there is usually too much. I don't really think the government should be contributing free alcoholic beverages at its functions and that would save a fair amount of money on these things.

As far as dinners go, most people who come to conventions overeat; most of them are on expense allowances. I'm not sure the government—or the taxpayers really—should be hosting dinners to a lot of visiting groups. I think you could have visits to the legislative buildings with some hospitality, a cash bar, tea, coffee and so on.

I really think we're overdoing this entertaining by the government at the expense of the taxpayers when very few share in the hospitality. It's really only groups which generally are on expense accounts and we're just using money to make the government look very big. I don't really think it's justified. I think we should re-examine the whole programme and probably cut it by at least two-thirds.

**Mr. B. Newman:** Mr. Chairman, at the outset I would like to commend Mr. Borosa for taking on staff a young lady like Mrs. Laura Liddell. I think she does an outstanding job there. Any time you contact her she is most pleasant on the phone and she takes care of any matter that you ask her to do. She is a real asset to your department.

**Hon. Mrs. Scrivener:** The entire staff is like that.

**Mr. B. Newman:** She gets calls from all members and we are quite often confused as to the spelling of names and as to dates. In spite of all of that, she is still able to come along and provide us with the scrolls and the citizens who get them are extremely pleased with them.

**Mr. Drea:** And on time.

**Hon. Mrs. Scrivener:** Yes.

**Mr. B. Newman:** However—

**Mr. Ruston:** Now for the bad news.



**Mr. B. Newman:** No, I don't bring bad news at all. Is the ministry considering coming out with some type of cheap—I shouldn't say cheap—some type of coin or souvenir for school children of Ontario in this the Olympic year? For the first time in Canada's history we're having the Olympic Games and, as one who has had the privilege of being involved in Olympic competition at a coach level, I know how much one cherishes that little souvenir he or she brings back home from the games.

When the Queen came to Canada in a previous year I can recall as a student receiving a copper coin. I think it would be fitting to give to the students of the province some type of remembrance that Canada, for the first time in its history, hosted the Olympic Games. I don't think we are ever going to have them again, not if we have to go through the—

**Mr. Angus:** Not at this price.

**Hon. Mrs. Scrivener:** We have just come out with the little Red Ensign that you are wearing in your lapel, and I am aware there is an Olympic pin; I have seen it and it is quite attractive, but of course that is done in Ottawa.

**Mr. Borosa:** I cannot reply specifically about the pin, but there is a programme under the Ministry of Education and every school in the Province of Ontario was supplied with material on the Olympics, and I think a part of the kit contains the pins and awards encouraging the schools to stage their own mini-Olympics, and the winners of those mini-Olympics are going to get replicas of the Olympic medals. It would be a pretty expensive proposition, really, to supply every child in the school system in Ontario with a pin. For example, this design here cost COJO, the organizing committee, something like 85 cents a pin. Now, when we consider the \$1 billion-plus cost of the Olympics it is not much, but certainly it would have to then be applied across the country.

**Mr. B. Newman:** I am not referring to anything as elaborate as that. Many of us used little coins which we gave as souvenirs to the students of schools that visited us; and if I am not mistaken, mine cost only five cents apiece at the time. It may cost a little more today, but I think just a little aluminum coin, or some type of a coin like that, to the students would be something many of them would treasure.

I will just leave it at that though. I hope the seed has been planted and that the min-

ister can come through with something for our students to remember the 1976 Olympic Games. By the way, is the ministry taking all of the members to the games as their guests?

**Hon. Mrs. Scrivener:** No, but we are inviting them to join us on Sunday, June 6, when we are going to have a runner who will present us with the Olympic flag which we will put up on our pole in the front of the Legislature during Olympic month. We will also be doing this in conjunction with the bicycle celebration; there is going to be a big bicycle relay here in the park at the same time.

**Mr. B. Newman:** Maybe you should have asked me, I could have provided you with two flags.

**Hon. Mrs. Scrivener:** Oh my; well, we just might manage to now.

**Mr. B. Newman:** I will rent them out to you.

I wanted to ask another thing of the hospitality fund. Do you have set guidelines for it? Do you require financial statements from groups and organizations? When you look through here and see some of them that didn't have the province foot the bill, they weren't some that were poverty stricken.

**Hon. Mrs. Scrivener:** We do not give any group a carte blanche, an open-ended grant.

**Mr. B. Newman:** Yes, I understand so.

**Hon. Mrs. Scrivener:** If we are going to make a grant of \$750 for a wine and cheese party, I think the phrase we use is "to entertain at a wine and cheese party or to the extent of \$750, whichever is the lesser." In other words, if it is less than \$750 they would not get it all.

**Mr. B. Newman:** I can understand having a limit on the amount. I don't find any fault with that, but you may be footing the bill for \$750 and it is only a drop in the bucket to them but to some other type of organization \$750 is the world already.

**Hon. Mrs. Scrivener:** Yes, we pay attention to that.

**Mr. B. Newman:** It really isn't fair then to treat them all alike quantitatively; you would be doing a greater service to be giving to the ones that are maybe performing a greater public service to the province than those that are fairly well to do.

[10:00]



**Hon. Mrs. Scrivener:** We try to pay attention to that, Mr. Newman.

**Mr. B. Newman:** I wanted to ask: Do you have a set of guidelines on paper before someone could qualify?

**Hon. Mrs. Scrivener:** No. I gave this description earlier, I guess you were out of the room. We try to see that the organization has special merit as far as the province is concerned and is entertaining on a national or an international basis; that it's not simply an organization which is entertaining its own people on an annual general meeting kind of basis; that it's doing some special function or there's a very special event involved with it and so on.

**Mr. B. Newman:** Do you insist that members of the cabinet or members of the government be invited?

**Hon. Mrs. Scrivener:** Yes; I think if there's a lunch or a dinner the government's greetings should be extended by an official.

**Mr. B. Newman:** If you have more than several government members, have you considered inviting opposition members to balance it off?

**Hon. Mrs. Scrivener:** Certainly.

**Mr. B. Newman:** Have you done that?

**Hon. Mrs. Scrivener:** I know of an instance in Kingston; I think an opposition member will be at that luncheon—I think it is a luncheon.

**Mr. B. Newman:** The reason I ask is I've been here for a few years and I've never been invited, even in my own community, and you've thrown a lot of them. It makes one wonder what's going on.

**Hon. Mrs. Scrivener:** It's usually the sponsoring organization which makes the list. We don't make the lists. The sponsoring organizations decide on their head tables and we have nothing to do with how they organize their functions.

**Mr. B. Newman:** I don't think you should have anything to do with how they organize. I think you should simply provide them with the funds providing they meet the criteria you set down. I don't think you should insist that you have your representation. We're all members of the Legislature so we represent some portion of those funds you're spending too.

**Hon. Mrs. Scrivener:** Yes.

**Mr. B. Newman:** If you're going to go down there and insist that you be down there, I think we have a right as opposition parties to have equal treatment on that. Is there some tie-in on menus?

**Hon. Mrs. Scrivener:** No. For a menu for a lunch or dinner we have a set form—don't we, Mr. Borosa?—with the provincial crest on it. I'm aware that, in some cases, the chefs try to give it an Ontario flair by using fancy names for dishes which sort of relate to a community or the province.

**Mr. Angus:** Mercury fish.

**Mr. B. Newman:** There's nothing wrong with that, but I'm just wondering—

**Hon. Mrs. Scrivener:** I was at one last week at which they featured roast Ontario lamb. I don't know if it was Ontario lamb or not. Was it?

**Mr. B. Newman:** Do you provide the menu free of charge to the organization and do you insist on them using that menu?

**Hon. Mrs. Scrivener:** Yes.

**Mr. B. Newman:** You insist on them using it? As long as the Province of Ontario is funding it?

**Hon. Mrs. Scrivener:** The Province of Ontario gets the—yes, we're funding it.

**Mr. B. Newman:** I just wondered, that's all. Okay, that's all, Mr. Chairman.

**Mr. Drea:** First of all, Mr. Chairman, it's been many years since Mr. Borosa has been before the committee, at least in time enough to defend himself or take some accolades. I would like to echo my colleague, Mr. Newman. I don't really think there is anybody in government—knowing the pressures of the job—who has to deal with prima donnas on both sides: members; groups; everybody under pressure; people who are having anniversaries and who forgot to send it in until the last minute; people who are having special functions and a daughter-in-law or somebody completely forgot about it. I want to say, and I'm sure I echo at least every veteran member of the House who's gone through this a couple of times, that there is no better department of any ministry to deal with than Mr. Borosa's.

I'm quite sure that you could call up at midnight on a Saturday when you had a 50th



anniversary—I realize you couldn't reach them here—but I'm sure if you couldn't reach Mr. Borosa you could reach Mrs. Fountain, or you could reach the lady that Mr. Newman has talked about, and somehow a plaque would be delivered at the member's house before 8 or 9 o'clock in the morning. When Mr. Newman was talking I raised the interjection "on time." I can recall three postal strikes during Mr. Borosa's career and we delivered by hook or by crook or by somehow, every one of those plaques to a 50th wedding anniversary or to more than a 50th anniversary.

It's all very well for the mean people and for those who are so concerned about the accounting to say that those people would have received it in the fullness of time, but I really take it as a remarkable accomplishment by a very dedicated civil servant that when there was a logical reason—and many of the members were from far out of town and sometimes those plaques were tied up in the postal strike or tied up in warehouses—Mr. Borosa's department always came through. I think that is really a remarkable testament to somebody who really, in terms of government, is involved with the feelings of human beings.

I'm very glad we had a little bit of time tonight, because I think it's about time that Mr. Borosa and his protocol department really received recognition from the members. I know that we're not the best to deal with, and I certainly have had words with Mr. Borosa and Mr. Borosa has had words with me, and I'm sure it's been so with a lot of members. But over those years I don't think there is anybody who has exerted more human effort than Mr. Borosa on behalf of human beings to make sure they got things on time when they really counted.

We only usually do it when someone is retiring or it's the last time around, but I would certainly hope the members of this committee would extend to Mr. Borosa the type of recognition that sometimes we only extend to ourselves, which is a bang on the table.

**Mr. B. Newman:** Get a scroll made for him.

**Mr. Drea:** Now then, Madam Minister, having heard that at least one member wants the Queen to go to McDonald's and is prepared to campaign on it—I sat here. I heard the words—it seems to me that in terms of protocol dinners there is a function for a government to provide. It seems to me that

it shouldn't be done without a means test. It seems to me the importance of the event, whether it is regional, whether it is provincial, whether it is national, or whether it is international, in terms of the amount of money that the protocol department spends, this is really not a free meal, this is not some free bottles of wine, this is not a bar that you pay for or you don't pay for.

It seems to me in a province like this, which is the leader in this country, when people come in here, and under your guidelines people have to be non-profit, whether they are as affluent a group as the Canadian Bar Association or the Canadian Medical Association or the Canadian Dental Association, or whether they are as less affluent a group as the anti-poverty people—and I can recall when Mr. Borosa put on functions for anti-poverty people; that seems to be forgotten here tonight. I can recall when he did it and he did it with dignity and dispatch and he wasn't very demeaning about it—it seems to me that a government has a responsibility sometimes to recognize people who are doing things in the community, who are doing things without taxpayers' grants, who are doing things by virtue of their profession, occupation or their special interest.

While on the surface it is very nice to say: "I don't think they should have a bar, it should be a cash bar"; or "I want to check the telephone bills"; or "I want to check the tips"; it seems to me that this is very demeaning to people who ask nothing of this government or any other government. They go out and they do the things they want to do and they are equipped to do and they do them because they like to do them 365 days of the year.

**Ms. Bryden:** Like the Bar Association.

**Mr. Drea:** Well, madam, you may demean the Bar Association but I can recall people in your party telling me about the very important things that the Bar Association does on its own time and at its own place and perhaps on its own terms. Maybe I am naive enough that I like to think that people do things because they want to do them or they want to help the community. Maybe I'm not cynical enough to believe somebody has a price in his head all the time. Maybe I am not yet that cynical. Maybe I have a long way to go and I'll match my credentials with anybody over the things I have done as against what they have done.

I like to think that people do things for the community. I don't think it's incumbent upon a government to recognize them and I



don't think it's incumbent upon a government to give them a meal or to give them a flag or to give them a little poster or something else. I happen to think that's one of the nice things about living in this country. I happen to think that's one of the nice things about living in this province.

These things are given not out of a spirit of what are we going to get back but out of a spirit that these people are really entitled, whether they are individuals—I happen to think that in this day and age when families are breaking up all across Ontario; when the divorce rate is so high; when people don't seem to be able to stay with their spouses; I happen to think it's very beneficial in my riding for people to have achieved a 50th wedding anniversary, I like to tell them that. I like to tell them they are a great example to young people. I can tell you from my own life marriage is not the easiest thing.

**Mr. Mancini:** That's understandable.

**Mr. Drea:** You're very young, my friend. You'll get there. Marriage is not the easiest thing. The easiest thing in the world is to cop out of your responsibilities and to give some psychological excuse as to why you do it.

I like to look at people who have been married for 50 years. I like to look at people who have been married for 60 years. I like to hold them up as examples to other people that when the going gets rough, if you really want to prevail—sometimes it's very nice to walk into somebody's house and give them a little plaque. As Mr. Borosa said, it costs less than \$10.

Most people in this world only achieve recognition twice in their lifetime—once if their parents have enough money to pay for their birth notice and the second time if they have enough money to pay for their death notice. I think it is extraordinary that a government, in these times, should be able to put something on the wall, drawing the public's commendation to them. I look at that in terms of anniversaries, birthdays and a lot of other things.

I also look at it in terms of public gatherings. I want to say to you, I have probably been at more of the so-called people's gatherings than any other member of this government. I want to say to you that we have done those, as I've said before, with discretion, with dispatch; the absolute same treatment. As a matter of fact, the one time we were in trouble, the only time I've ever been called a lefty—

**Mr. Swart:** That was a very nice compliment.

**Mr. Drea:** It depends upon people with principles. To me it was not exactly the nicest compliment.

It was when I went to a group of students and we were roundly criticized in the press—and I'm sure Mr. Borosa understands that; he went through a considerable amount of soul-searching. We did that for them on the grounds that whether they liked the government or whether they liked society—as a matter of fact, they didn't like anything—nonetheless they represented a group across this country and we provided them with a dinner.

I must say, I very bitterly decry the attacks which have been made upon the protocol office in the past five or six months on the basis of whom the dinners have been provided for. They are simply a matter of recognition. If we want to get down to whether we like them, whether we approved of them or whether we think their motives through the community are worthy or very worthwhile, I suggest to you we are in a little different type of ball game.

**Mr. Chairman:** Thank you, Mr. Drea, I would like to remind the committee that 47 minutes ago I informed you that we had eight votes to go. I still have two more speakers on this vote. Again, I will say I hope you will govern yourselves accordingly, Mr. Swart.

[10:15]

**Mr. Swart:** I will be brief, but I must echo the sentiments about the extreme co-operation of protocol services, certainly with regard to plaques with which I have been familiar, and sometimes delivering them on two or three hours' notice. I just want to associate myself and my party with the compliments that have been made in this regard.

I would like to have taken a little time to answer Mr. Drea, but I think I won't at this time. Rather I would like to ask a question of the minister with regard to guidelines for other souvenirs that are available to members. Is there a policy on this, say with regard to flags or types of pins? Where do you draw the line between the member getting these as a member of the House and having to pay for them himself?

**Hon. Mrs. Scrivener:** You may have received a letter from me on this last week, enclosing—

**Mr. Swart:** I haven't.



**Hon. Mrs. Scrivener:** —a small Ontario pin and informing you also that we have a little catalogue with all kinds of things of a provincial nature that are available to members. We sell them at cost. After that, there are some small things that are available to members at no charge.

I understand that in the last week or so the Board of Internal Economy has decided that members will receive 1,000 copies of a pin which I think is produced by the Ministry of Natural Resources, and that is a pin that will be made available for giveaways to groups of visitors to the Legislature or whatever, or people in your riding; as you see fit. There are a number of pamphlets and small things that are available on government. All the school children who come here to this legislative assembly as visitors receive a little plastic bag with a clutch of things in it.

**Mr. Swart:** Can I pursue this just a little further? I was told unofficially by someone that all members are entitled to two flags a year. Is this correct or incorrect?

**Hon. Mrs. Scrivener:** I have never heard of it.

**Mr. Swart:** What about the other pins; those little gold or silver pins? If you have outside groups in your area; are those available under any circumstances, to groups within your riding or visitors within your riding?

**Hon. Mrs. Scrivener:** No. These are available for purchase at cost.

**Mr. Swart:** In other words, then, there is nothing apart from 1,000 of these particular type pins that are available to members free of charge?

**Hon. Mrs. Scrivener:** No.

**Mr. Swart:** Then I haven't been taken.

**Mr. Chairman:** Mr. Mancini.

**Mr. Mancini:** Thank you, Mr. Chairman. I would just like to take this opportunity to say that I really appreciate the scrolls that are given out by the Ministry of Government Services and I am sure my constituents who receive them also appreciate them very much. I have had the opportunity, since September, to present scrolls to two all-Ontario championship teams, and it kind of makes you feel good to be in their company and have them know that someone appreciates what they have done for the province. I just wanted to ask a question about the posters that were

sent to the members. Were those made up by the provincial government?

**Hon. Mrs. Scrivener:** Which posters are these?

**Mr. Mancini:** The Olympic posters which were sent out.

**Hon. Mrs. Scrivener:** Those were done by the Olympic committee, weren't they, Mr. Borosa? Yes. They had a special committee working and I think all members received those.

**Mr. Mancini:** Yes, all members received a roll of these posters.

**Mr. Borosa:** I think these came from the Canadian Olympic Association.

**Hon. Mrs. Scrivener:** Yes.

**Mr. Mancini:** I see.

**Mr. Borosa:** It is just a mode of fund-raising for them.

**Hon. Mrs. Scrivener:** They are a very beautiful set of posters.

**Mr. Mancini:** That's it. Thank you.

**Mr. Chairman:** Shall item 13 carry? Carried. Item 14, Mr. Davison.

**Mr. Davison:** I'll be very brief. What are employee health services? Am I correct in taking it that the employee advisory services didn't come out of the health services?

**Hon. Mrs. Scrivener:** It did.

**Mr. Davison:** Is that the reason for the reduction? What are the health services?

**Hon. Mrs. Scrivener:** This is Dr. O'Hara right here. He operates our small clinic and sees to all the kinds of public health services which we can offer. I hope you put in a good plug for preventive shots, Dr. O'Hara, to remind everybody to get their immunization before the summer comes.

**Dr. O'Hara:** The employee health services are part of an occupational health programme similar to the programmes in large industrial corporations. They are designed by management primarily to keep employees healthy and at work. We provide direct services to the employees and advisory services to management on the health of the work force and the disposition of manpower on the basis of their health.

**Mr. Davison:** Did you investigate the incident at the OHIP building on Overlea Blvd.?



**Hon. Mrs. Scrivener:** No. It wouldn't come under Dr. O'Hara.

**Mr. Davison:** Who investigates that?

**Hon. Mrs. Scrivener:** That was dealt with under management services, Mr. Mann.

**Mr. Davison:** They have their own health services branch? But that is the sort of work that department would do when you are talking about occupational health?

**Hon. Mrs. Scrivener:** No, he is doing health services to government employees.

**Mr. Strauss:** Essentially, they operate the first-aid stations in various government buildings, the main one being over in the Macdonald Block. There is one, I think, here in this building, too.

**Mr. Davison:** But you mentioned the issue of occupational health in government buildings, I don't understand why that building doesn't come under your health services branch.

**Hon. Mrs. Scrivener:** I'm sorry; yes, for that particular incident.

**Mr. Davison:** You investigated that, did you?

**Dr. O'Hara:** Yes. It was investigated by my service and by the environmental health services branch of the Ministry of Health and by the property management branch of Ministry of Government Services.

**Mr. Davison:** I can assume, then, that with that many expert groups judging the situation we won't see a repetition of it?

**Dr. O'Hara:** I don't think you could promise that, if you get a sudden temperature change early in the year.

**Mr. Davison:** I don't have any more questions.

**Mr. Chairman:** Shall item 14 carry? Carried. Shall item 15 carry? Carried. Item 16, employee advisory services.

**Ms. Bryden:** Does this include the advisory services on day care to government employees who wish to make some arrangements for day care and have been agitating for a day-care centre in the building?

**Hon. Mrs. Scrivener:** Yes, there is some counselling assistance.

**Ms. Bryden:** Can you tell me how many people have been counselled and how many

have had some assistance in getting their day-care problems solved?

**Hon. Mrs. Scrivener:** Mr. Hills is here. I don't know if he would have that kind of figure with him. Do you have anything in terms of numbers?

**Mr. Hills:** Yes. In the calendar year of 1975 there were 290 requests and the 290 were taken care of without any complaints.

**Ms. Bryden:** In what way? Were they provided with information as to where they could obtain day care?

**Mr. Hills:** In whatever way they required it, they received it. If they wished to have their children placed, they were placed. If it was just a query they were making, this was done for them as well.

**Ms. Bryden:** Is there any subsidy provided for employees who may find that the only available are fairly expensive?

**Mr. Hills:** No, not through this counselling service.

**Ms. Bryden:** I recall Ethel McLellan's report which showed—I guess it was probably for the previous year—that only about 20 or 30 per cent of the requests were satisfactorily settled. The others didn't appear to have had satisfaction. I think there is still a fair demand for some additional facilities being made available through the ministry. If you want to employ women with children, it is becoming a very important problem which I think the ministry should be looking at.

**Mr. Chairman:** Mr. Davison: do you have something?

**Mr. Davison:** No, I will pass that.

**Mr. Chairman:** Shall item 16 carry? Carried.

Vote 804 agreed to:

On vote 805:

**Mr. Chairman:** We will continue with vote 805. I guess because only three minutes remain we should probably take the four items altogether. Any questions? Mr. Davison.

**Mr. Davison:** Just very briefly, on all of the other items when you list the recovery you list it as being recovered from other ministries. Under programme administration you list your recovery as "recoveries from other activities." Could you explain the difference to me? Is this some sort of a position where, at some times this could actually be a profit



making venture for programme administration?

**Hon. Mrs. Scrivener:** Yes. Mr. Alexander, can you give a 40-second answer to that?

**Mr. Alexander:** Yes. Programme administration is allocated over the three divisions. Actually, it is in their cost structure. So it is just an allocation. We apply a third and a third and a third to the three cost centres.

**Mr. Davison:** Okay.

**Mr. Chairman:** Ms. Bryden.

**Ms. Bryden:** Mr. Chairman, on item 4, computer services. I recall last fall, when most of the members were very new, that the minister set up a tour of the computer services—a half-hour tour which I found very helpful and very educational—but in conjunction with it she arranged a luncheon for the members who attended. Could I ask the cost of that luncheon and how many members did attend?

**Hon. Mrs. Scrivener:** I don't know the numbers. I think somewhere around 30. I saw you there.

**Ms. Bryden:** I wasn't at the luncheon.

**Hon. Mrs. Scrivener:** Oh, I see, you stayed and had a drink with us.

**Ms. Bryden:** No, I did not.

**Hon. Mrs. Scrivener:** Anyway, I think it was around \$300 to \$350.

**Ms. Bryden:** I didn't think that a half-hour tour warranted entertaining 125 members.

**Hon. Mrs. Scrivener:** I think the cost was around \$300 to \$350 and we did not entertain all members. We knew in advance; we had an RSVP and they had replied. It was something like 30 to 40, somewhere in that vicinity.

**Ms. Bryden:** Could you get the figure on the cost of that particular luncheon?

**Hon. Mrs. Scrivener:** Sure.

**Ms. Bryden:** I would appreciate having it. Thank you.

Vote 805 agreed to.

**Mr. Chairman:** Thank you, Madam Minister, and members of your staff. I think we have had a very interesting, lengthy and educational discussion. That concludes the estimates of the Ministry of Government Services, and I would like to remind the committee that we will meet after the question period on Thursday to consider the estimates of the office of the Provincial Auditor.

**Hon. Mrs. Scrivener:** Mr. Chairman, I want to say thank you very much. You are a very excellent Chairman, as you well know, and I want to thank the members of the committee for their indulgence and their great interest in the ministry. I hope that we have been able to share with you our enthusiasm for the work that we do.

The committee adjourned at 10:30 p.m.



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Angus, I. (Fort William NDP)  
 Bryden, M. (Beaches-Woodbine NDP)  
 Davison, M. (Hamilton Centre NDP)  
 Drea, F. (Scarborough Centre PC)  
 Mancini, R. (Essex South L)  
 Newman, B. (Windsor-Walkerville L)  
 Ruston, R. F. (Essex North L)  
 Scrivener, Hon. M.; Minister of Government Services (St. David PC)  
 Swart, M. (Welland-Thorold NDP)

### Ministry of Government Services officials taking part:

Alexander, D. A., Assistant Deputy Minister, Management and Information Services  
 Borosa, W. A., Director, Protocol Services Branch  
 Hills, T. G., Director, Employee Benefits Branch  
 O'Hara, Dr. W. E., Director, Employee Health Services Branch  
 Strauss, E. F. H., Assistant Deputy Minister, Supply and Services  
 Thatcher, J. C., Deputy Minister  
 Towers, D. I., Director, Telecommunication Services Branch  
 Vamplew, G. G., Manager, Insurance and Risk Management Unit











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*Legislative Assembly*

# Legislature of Ontario Debates

SUPPLY COMMITTEE—1 *LS*

**ESTIMATES, MINISTRY OF HOUSING**

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

**Wednesday, May 26, 1976**

Speaker: Honourable Russell Daniel Rowe  
Clerk: Roderick Lewis, QC

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A list of the speakers taking part in the debates in this issue of Hansard appears, in alphabetical order, at the back of this issue.

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## LEGISLATURE OF ONTARIO

## SUPPLY COMMITTEE

WEDNESDAY, MAY 26, 1976

The committee met at 2:10 p.m. in committee room No. 1.

ESTIMATES,  
MINISTRY OF HOUSING  
(continued)

On vote 2004:

**Mr. Cassidy:** Mr. Chairman, I would be prepared to let everything down to item 5 go at the end of today. That probably is going to be frustrating because there are going to be things that many members, myself included, might want to get answered in that period of time, but that would be in order to ensure that we would then have the community-sponsored housing and the home ownership plan stuff to be finished on Friday. Alternatively, we could open up this entire vote today and again on Friday and, since the first-time home buyers grant thing was pretty fully discussed in the fall, we could agree to give it only 15 minutes at the very end.

**Mrs. Campbell:** When do you leave for Habitat?

**Mr. Cassidy:** I declare an interest, Mr. Chairman.

**Mrs. Campbell:** Cogent question?

**Mr. Cassidy:** Yes. About 1:15 on Friday. No, I'm in Sault Ste. Marie on Monday. I have to make sure that the minister's riding is in good shape.

**Mr. Hall:** Get on the plane before midnight, because the air controllers' strike may begin then.

**Mr. Cassidy:** If they strike, I'll be in Sault Ste. Marie for a week and a half.

**Mrs. Campbell:** Great.

**Hon. Mr. Rhodes:** That would be a good idea—as long as I'm here.

**Mr. Chairman:** Is that all right with you, Mr. Minister?

**Hon. Mr. Rhodes:** Sure.

**Mr. Hall:** If you're looking for direction, I would think that by Friday we'll surely have covered the main points.

**Mr. Chairman:** What about you fellows? Okay? Let's start, then.

**Hon. Mr. Rhodes:** Mr. Chairman, just before you start, last Friday a number of points were raised by hon. members. I'd like to respond to some of them by producing some of the material they asked for.

I was asked to supply the committee with a list of members of the boards of directors of OHC and OMC, and we can hand out to you now a complete list of those, along with two financial documents we were asked to provide. As well, the clerk will distribute copies of the Housing Development Act and the Ontario Housing Corp. Act, together with the recent amendments to the former.

The financial material was asked for by Mr. Cassidy. One deals with the method by which the OHC overhead for the corporation's head office is distributed to the directly managed projects and the housing authorities. The document which explains this is reconciled to the item, "administrative expense charged to operations, \$4,208,000," which appears on page R61 of the estimates.

The budget books distributed earlier have also been summarized in the tabled document. The provincial share of losses from the budget books, amounting to \$65,901,430, has been reconciled to the transfer payment item, "provincial share of property management subsidies, family and senior citizens' housing, \$70,181,000," which also appears on page R61 of the estimates. The administrative overhead totals \$14,359,679 this fiscal year—

**Mr. Cassidy:** Could you go back in your statement, Mr. Minister? We're trying to sort of catch up with what you're saying. You're saying that there was about \$4¼ million of administrative expenses charged to operations; then you're saying that the amount of the provincial share of the deficit



is \$65 million and that's on page R61, I think you said—

**Hon. Mr. Rhodes:** R61 of your budget book, yes.

**Mr. Cassidy:** R61?

**Hon. Mr. Rhodes:** That would be in the estimates book, Mike.

**Mr. Cassidy:** Oh, that one. Okay.

**Hon. Mr. Rhodes:** We'll find out the page it is in your book, Mike.

**Mr. Cassidy:** Thank you.

**Mr. Crosbie:** Mr. Cassidy, it's on page 140 of the ministry book we gave you.

**Mr. Cassidy:** Okay.  
[2.15]

**Hon. Mr. Rhodes:** The administrative overhead totals \$14,359,659 this fiscal year, or 6.09 per cent of the total operating expenses. That's a reduction from the 6.49 per cent budgeted for the last fiscal year.

Mr. Cassidy also asked for information on the administrative costs involved in Bellevue Manor in Ottawa. This totals \$112,344 or 6.05 per cent, slightly below the provincial average.

Before going into discussions of the observations made on Friday, Mr. Riggs, the assistant deputy minister, asked me to clarify an answer he made that day. He gave some statistics on OHC's waiting list, which were provincial figures. If you want grand totals, we should include figures for Metro Toronto. To set the record straight, the family waiting list for Ontario, excluding Metro Toronto, is 11,206, with Metro's total standing at 8,100.

Mr. Cassidy also asked about the average family income for those waiting. As of March 31, 1976, the average gross monthly income of families on the waiting list for rent-geared-to-income accommodation was \$559.

Mr. Cassidy indicated he was concerned that the Montreal Trust Co. was assuming a bigger and bigger role in the administration of OHC projects. This really isn't so. The total number of units involved is 1,919, or 2.6 per cent of our total portfolio. Their first contract with OHC became effective Feb. 19, 1969, and the latest in August, 1974. I would add that the company also operates under an interim agreement to provide the caretaking and maintenance services of the Main/Hess project in Hamilton. We are encouraging the mixture of private management and public management on the grounds

that both can learn from each other's experience.

And while I don't want to be accused of splitting hairs, I would point out to Mr. Cassidy that Montreal Trust is not a partner in the Institute of Housing Management, as he indicated on Friday. One of the company's employees is an elected director of the institute.

We were asked about the effect of a poor credit rating on applicants for rent-geared-to-income accommodation in Ottawa. In that city, a credit rating is conducted on each new applicant through the services of Retail Credit of Canada. If an applicant is reported to have a poor or doubtful credit rating, the application is referred to the staff committee of the Ottawa Housing Authority for a decision on whether or not the person should be housed. If the decision is negative, the case goes to the property management committee for resolution. The chairman of this committee is a tenant member of the Ottawa Housing Authority. In addition, there are two other members.

Should that committee also rule in the negative, the case is referred to the board of directors of the Ottawa Housing Authority for a final decision. I might point out that at no time is the staff alone allowed to turn down an applicant based on his or her credit rating. This procedure varies from one jurisdiction to another.

While we're on the subject of tenant placement, Mr. Cassidy was inquiring if anything could be done to "tip the scales" in favour of giving a prospective tenant geared-to-income accommodation in an area in which the applicant has lived for many years. I would like to refer you to a letter I sent to you on May 10, and I will quote just one paragraph from it:

Your suggestion that people residing within a neighbourhood for a considerable period of time be awarded extra points has been carefully reviewed by both the Ottawa Housing Authority and the Ontario Housing Corp. It was the collective view that to award points on this basis could artificially weigh the need of an applicant, which could result in some inequity. Furthermore, we are obliged, by agreement with the municipality of Ottawa, to consider an individual's application relative to the housing needs of all other applicants within the city of Ottawa, to ensure that the available housing stock is allocated fairly—a policy which will enable a resi-



dent from, say, Carleton East to obtain suitable housing in another part of the city. With regard to comments about applicants not being told about their position on the waiting list, the prime reason for not giving out such information is to avoid disappointment by applicants. An applicant may be first on the list one day, and be 10th the next day after a series of home visits has determined that others on the list have a greater need. After a home visit has been conducted, an applicant is told only that his or her standing is either good, fair or poor.

Mr. Cassidy's comments with regard to an information booklet explaining the point rating system used to allocate OHC accommodation is well taken. A booklet which generally outlines OHC policies and procedures has been drafted and is waiting for final approval. It will go shortly to the Federation of Ontario Tenants' Associations and the Association of Ontario Housing Authorities for comment before it's finalized for use throughout the province.

Mr. Cassidy indicated that the ministry should subsidize Metro's senior citizen housing. Perhaps the hon. member missed my statement on April 30, when I announced that we had given such an undertaking to Metro Chairman Paul Godfrey, and that in the current fiscal year this will amount to a subsidy support from the province of \$2.2 million for some 6,488 rent-geared-to-income units.

Mr. Cassidy: Is that all of the senior citizen units in Metro?

Hon. Mr. Rhodes: That's all the rent-geared-to-income units.

Mrs. Campbell: Not limited dividend.

Hon. Mr. Rhodes: Yes, right.

This company also operates some limited-dividend projects, but there is no subsidy on those as they involve full recovery rent. The federal government has indicated that it will not change such housing to rent-geared-to-income units.

Finally, Mr. Cassidy indicated there seem to be all chiefs and no Indians in the Ottawa Housing Authority staff, and mentioned three projects. Bellevue has an administration staff of four and a CUPE staff of 13; Rideau View has no administration staff and four CUPE staff; Hooper has no administration staff and two CUPE staff. For an overall comparison, the total payroll of the Ottawa Housing Authority is 260 persons, of which 54 are administrative staff and 206 are CUPE. Re-

cently, nine persons, not classified as CUPE, have been hired as groundsmen and classified as temporary.

With regard to Mr. Kerrio's suggestion about bid deposits for subcontractors, I have considered his comments and I have asked the officials in charge of the procedures to review the system to see if his suggestion may be implemented. When the review is complete, I will inform Mr. Kerrio about the steps the corporation is taking to ensure the tendering system is beyond question.

I hope I have touched on many of the points that were raised and on which I indicated I would attempt to get back with the information.

Mr. Cassidy: Thank you. I'd like to come back after Mr. Hall and others have had their turn, and maybe raise some of these points again, Mr. Chairman.

Mr. Hall: Thank you, Mr. Chairman. I won't be lengthy, certainly at the outset. Mr. Cassidy has expressed quite thoroughly some of the concerns that we also share.

I am on the public accounts committee and without dwelling on that the latest publication put out by the Provincial Auditor for the year ended March 31, 1975, commented on a lot of accounting problems and a certain laxity of controls. There were indications that this would be improved a great deal and that some of the problems had been overcome.

Is there any comment at this time as to whether the Provincial Auditor has made a similar comment on the 1975 fiscal year as a result of the last comment that he made?

Hon. Mr. Rhodes: Are these comments from 1975 that you are looking at?

Mr. Hall: They are printed in this book. What I'm asking is, have the improvements worked out and is the system now operating so that you don't expect to have a continuation of the adverse type of comment that he made a year ago?

Mr. Crosbie: I think, Mr. Chairman, in commenting on that there are two things that are in process right now which are going to affect the overall administration. One is that we are in the process of putting in a financial information system, computerized, which will replace the existing system which has had some difficulties. We don't think it's adequate for the job that's being done.

The other is a general reorganization in the ministry so far as the administrative sup-



port division is concerned. When the ministry was formed in 1973, the administrative support division in Ontario Housing became the administrative support division for the balance of the ministry. This has been done without significant increases in complement in the area. We are in the process of straightening out the reporting relationships of the corporations and the balance to the ministry. We expect this coming summer to put into place an organizational structure which will, we hope, meet the problems that are raised by the auditor.

**Mr. Hall:** At the present time, is there a trend or has a decision been made to phase out or dramatically cut down OHC funding? If so, what is the time frame?

**Hon. Mr. Rhodes:** No decision has been made to reduce OHC funding dramatically. As to the second part, there's really no time frame. We're still continuing to develop new projects.

**Mr. Crosbie:** Mr. Hall, on your previous question there is one point that I should also point out in connection with the audit. One of the problems we're faced with is verifying the incomes of tenants. We were working on a three-month lead time under the old system. In other words, 60 days before the commencement of the new lease term, we tried to verify the incomes. But with the provisions under the Landlord and Tenant Act that 90 days notice has to be given, we're starting 120 days in advance of the lease year to verify the incomes.

We are going to be faced with situations where on the date of the lease the income will not coincide with the rent calculated some 120 days in advance. In terms of the problem the Provincial Auditor was talking about, that problem will get worse rather than better because of the time lag between the date when the verification takes place and the date when the lease commences.

**Mr. Hall:** The general problem of rent-geared-to-income was covered by Mr. Cassidy. I don't know whether you received a copy of a letter that the leader of the Liberal Party sent to Mr. Danson under date of May 5 on this subject. Could I read it to you? It's not too long.

Dear Mr. Minister:

I know that you are as concerned as I am about the difficulties faced by low-income tenants in rent-geared-to-income housing. We have the feeling that a maximum rent of 25 per cent of gross income

is too high for the government to demand for subsidized housing. The percentage of gross income paid for shelter by other sectors of the community is considerably lower. Upper income families on an average pay less than 15 per cent and middle income families about 18 per cent of gross income. The irony of this situation is that escalating costs for food and other necessities impact more heavily on low-income families than on more affluent groups in our society.

I understand that the rental scale, schedule A of the agreement between Central Mortgage and Housing and the Ontario Housing Corp., as negotiated between the two levels of government, emanates from guidelines established by CMHC. These guidelines establish the level of federal subsidization. If the province chooses to be more generous in the application of the rent scale, CMHC will not share the extra cost. Conversely, if OHC were to apply a more rigorous scale, CMHC would not allow any extra remuneration to the province. The province, therefore, has very little leeway to adjust its rental scale to a more humane level.

However, we have recently seen figures provided to the rent review boards to justify applications for increases in rent and, for the first time, we have become aware of the very high overhead and operating costs for a lot of these projects. One is forced to question the efficiency of the operation.

Would you please agree to undertake a review of the rental scale immediately, keeping in mind our concern that modern, high-income families pay a much lower percentage of their income for shelter?

I shall be looking forward to your reply at the earliest possible date. Thank you for your consideration.

(Signed)

Dr. Stuart Smith

Are you in a dialogue with the federal ministry on this subject at the present time?

**Hon. Mr. Rhodes:** Yes, we are and we had been advised that the federal government would be reviewing its position as it related to the rent-geared-to-income scale. In fact, if I remember correctly, something was supposed to be available back last October. I don't think we've received that as yet.  
[2:30]

**Mr. Crosbie:** No, Mr. Chairman, we understand it got caught up in this general review of social assistance that the federal govern-



ment is carrying out, and they never did come forward with their assessment of the 25 per cent of income as an adequate guide. We are in constant touch with the local CMHC office and through that office we have also requested their assessment or input on just where that study stands, in the hope that we can get some further information.

**Hon. Mr. Rhodes:** As I indicated last week, we are quite prepared to look at this situation. We will be in contact with the federal agency, CMHC, and we have to have a pretty free dialogue with the tenants' association as well. I think we can come up with something that we can live with within the budgetary constraints that the ministry has on it, and at the same time recognize some of the points that have been made concerning this particular problem.

**Mr. Hall:** Going through this mass of detail, the form is an accounting form that obviously suits your operation. It is not necessarily given to quick and easy understanding, but we are shocked at the extremely high costs of some of the larger projects, possibly some of the older projects I suppose too, where you are incurring heavy maintenance charges which offset lower initial capital and mortgage financing costs.

**Hon. Mr. Rhodes:** Could you give me an example of one you may be referring to?

**Mr. Hall:** I would rather not. We looked at so many sheets in the book and then they jumped all over the place. At Regent Park, some of the stuff there was older and you are running a subsidy of about \$1,200 a unit, I believe right now, with substantially high maintenance and capital improvement costs and lower payback costs.

**Hon. Mr. Rhodes:** You are absolutely correct on the comment you made earlier about some of the older projects, and that certainly must be 20 years old anyway.

**Mr. Hall:** Yes.

**Hon. Mr. Rhodes:** There are obviously some major maintenance costs involved.

**Mr. Hall:** I believe you said the other day—I just want to get it clear in my mind—that you were moving away from the larger projects as well. Is this because you found the numbers just couldn't be kept in line as well?

**Hon. Mr. Rhodes:** No, I don't think that is the main reason. The main reason for going to the smaller projects was an attempt to get away from the very large complexes

and the high densities. I think the municipalities would rather see the smaller projects.

**Mr. Hall:** For social reasons more than economic reasons?

**Hon. Mr. Rhodes:** That's correct.

**Mr. Hall:** Some of the rent review information shows greatly increased costs for a lot of different items. Naturally one would expect the heating fuel to jump up considerably, but wages, on one operation I am looking at here, actual 1975 were \$16,202 for building maintenance wages, and in 1976 the estimate becomes \$29,455, an increase of 80 to 90 per cent in a particular project. I don't have them all, of course, because I am not party to all this information, but what is the experience on the wage increases relative to the maintenance of these buildings? Is there anything dramatic happening in the last year? Or have you had to add it up differently?

**Hon. Mr. Rhodes:** Frankly, to answer, an 80 to 90 per cent increase kind of throws me, because I don't know what project you are referring to, whether it suddenly became double in size or what.

**Mr. Hall:** I can give you the project; whether or not you can find it in the book I don't know, because I couldn't find it in the book.

**Hon. Mr. Rhodes:** Give us the project.

**Mr. Hall:** The project goes by No. 3787, Fontainebleu—completed in 1971.

**Hon. Mr. Rhodes:** Part of the factor, of course, is the wage settlement—arbitration awards are part of it.

**Mr. Hall:** There is another category on grounds wages on this particular item, which goes under your accounting category 14-910-08. The actual in 1975 was shown as \$8,900, and according to the information I have the estimated for 1976 shows \$24,432. Now, this is information being submitted to the rent review officer, as I understand it, and that is an increase of 275 per cent.

**Mr. Riggs:** This was project 3684?

**Mr. Hall:** Project 3787.

**Mr. Riggs:** Project 3787 is Grandview Ave. OH13. According to the book that I have before me, Mr. Chairman, the caretaking wages went from \$19,040 in 1975 to \$19,362 in 1976. That's the first figures.

**Mr. Hall:** Which account line are you reading from?



Mr. Riggs: I'm looking under operating expenses first, Mr. Chairman.

Mr. Hall: Yes and line No. 910-19.

Mr. Riggs: I'm looking at 14-910-02.

Mr. Hall: Right, \$11,000 to \$19,000. My figure shows \$11,948 in 1975—is that correct?

Mr. Riggs: In 14-910-02, project 3787, which is our OH13; and in 1974 that line reads \$8,865, and in 1975 it reads \$19,040—that's a nine, not 11, in case your printing is indistinct. And in 1976, it is \$19,362.

Mr. Hall: Are my figures for 1974 the same as yours? They are the same for estimated 1976, but for 1975 they show as \$11,948.

Mr. Riggs: If I can turn to the deputy and recheck my book and my figures here, sir. The printing in this book, as I say, should be identical to yours, sir. It is \$19,040 for that figure.

Mr. Hall: Well, let's look at the total for the actuals in 1975 on that sheet then. How would that be? What are your total expenses?

Mr. Riggs: The total expenses for 1974 would be \$72,219.

Mr. Hall: No, of all categories. All right, \$72,219, yes.

Mr. Riggs: They are \$103,511 for 1975 and \$129,658 for 1976.

Mr. Hall: There is something strange here. Again, my 1974 and 1976 agree with yours, but my 1975 shows a total there of \$77,681.

Mr. Riggs: Sir, are you reading it right off the blue book sir?

Mr. Hall: I'm reading it off this.

Mr. Riggs: If you take the book which—

Mr. Hall: I don't have all the books here.

Mr. Riggs: I would be delighted to have you look at this book, because it may have been a typographical error.

Mr. Hall: Yes, but this is somewhat different source material. This is material submitted to a rent review officer, and I don't mean to imply anything—but just one second. If I wanted to get an increase, I would show a big spread between 1975 and 1976. This is the area we're talking about, and I don't—

Mr. Riggs: Can I ask another question, Mr. Chairman? Are these actuals that you are quoting, or estimates, because what I am

quoting is estimates. The actuals could be less, depending upon when the awards are made to the CUPE contract under the new provincial contract in 1975.

Mr. Hall: It was headed "actuals."

Mr. Riggs: Mr. Chairman, those are actuals; there could be awards which have not been made, because we went to arbitration with CUPE last year on the first contract in the province on a major salary increase of close to 20 per cent which we would have estimated in 1975. We indicated to our housing authorities throughout the province that they should use these sheets that you see, plus backup of any actuals, to verify their accounts.

Mr. Hall: How do the totals check out there with the total on that sheet?

Mr. Riggs: The bottom figure on this sheet—

Mr. Hall: For actual 1975.

Mr. Riggs: —taking total operating expenses for 1975, would be \$561,863. How does that compare with the actual?

Hon. Mr. Rhodes: The actual is \$508,345.

Mr. Hall: Is it possible that by mistake some local manager in submitting to a rent review officer has not used the figures in your book, because it would be a great way to get a rent increase?

Mr. Riggs: No, no.

Hon. Mr. Rhodes: No, the figures in the book are estimates.

Mr. Hall: No, 1975's are not estimates, are they?

Mr. Riggs: No, they are budget, because we are just taking off our final actuals now, Mr. Chairman.

Mr. Hall: So they were all on budgets for last year.

Mr. Riggs: That's correct.

Mr. Hall: Even in the period of February and March of this year, since we've had to go to rent review?

Mr. Riggs: It is my understanding, Mr. Chairman, that in submitting figures to the rent review, at the time when the figures should have gone in, they should have been comparing estimates to estimates and not actuals to estimates. Estimate to estimate would



have been a fairer comparison because the increase there, as indicated by these books, would have indicated relative increases rather than actual increases. It is very difficult to compare an actual with an estimate. Because if the wages paid in 1976 under the contract are substantially lower than what we are estimating for, based upon estimates which were prepared last August before the AIB had any major effect, the estimate for 1976 would be high.

**Mr. Hall:** I have never had to appear before a rent review officer, maybe you could just tell me while we're on this subject, does every landlord have the opportunity to submit estimated budget figures as a basis for his yardstick of cost increases two years in a row?

**Mr. Riggs:** It is my understanding that he can submit them. The officer can demand actuals if they are available and he can take all the information, including estimates and actuals, in making his decision as to what should be the increase. So he tries to get all the information in order to verify what is the actual pass-through cost.

**Mr. Hall:** So, in this instance I'm referring to, if my information is correct, in some manner or other actuals of 1975 have been submitted as opposed to budgets?

**Hon. Mr. Rhodes:** Yes, that's obviously what's happened in that particular form. The actuals for that project have been taken out and put into that form, along with the estimate for 1976.

**Mr. Hall:** How would they have had actuals to submit if they are just coming in now?

**Mr. Riggs:** In cities like Windsor and Ottawa where they pay their own accounts—

**Mr. Hall:** What town is this in?

**Mr. Riggs:** Windsor, sir. I believe in a city like Windsor where they pay their own accounts they advise us the accounts have been paid. They are somewhat ahead of us in terms of the knowledge of the actuals. The figure on the actual could be subject to final consolidation on any awards which have been made, Mr. Hall.

**Mr. Hall:** So the bottom line for budget on that particular project showed \$573,000 or something.

**Mr. Riggs:** No, \$568,000—\$568,933 was an estimated figure for the year 1974-1975.

**Mr. Hall:** Whereas Windsor's compilation of its actuals comes up as \$508,000, which is 10 per cent lower than budget.

**Mr. Riggs:** Subject to any adjustment which might be made because of arbitration awards and a subsequent awarding of funds to union labour, sir. Or any accounts which we might have to pay here, because we do the major tenders still for the housing authorities throughout Ontario and pay them from here.

[2:45]

**Mr. Hall:** It makes me wonder whether they got a rent increase on this one or not.

**Mr. Riggs:** Perhaps I can explain the budget process, because it is lengthy. We're required by CMHC to submit the budget books by December of, say, this year. We have to start in June, and I have to say we estimate our costs historically and based upon the trends that we can see; so these figures normally would be, if anything, slightly on the high side. There will be a difference between actual and estimates in these books, but the rent review officer would always have a copy of this page, in accordance with our instructions to the housing authorities; and he can demand any other information they may have available, actual or up to date, whether it is Feb. 28 or March 31, whatever date they might have some figures available.

**Hon. Mr. Rhodes:** Mr. Hall, I think the point you are making is valid, that in terms of the information being submitted to a rent review officer for the purpose of calculating what the possible increases could be, that figure is not accurate. It distorts considerably the percentage of increase in the operating costs, at least on the surface, if you're dealing with one as an estimate and one as an actual. In fairness I think both should have been estimates, one for 1975 and one for 1976. I think your point is well made.

**Mr. Hall:** At the same time, I have to make it clear to you that I appreciate the problem of dealing in actuals in terms of the considerable time lag because of the compilation that is necessary and, as you say, because of the retroactivity of some agreements. However, the concern was that until we had this sort of information available to us, we did not have any real yardstick to go by as to the cost of operating your units. Actually, in retrospect, Mr. Minister, I think had this information been provided some time ago—and I assume it was available to you—it would have given a broader understanding of



the cost of this operation, the problems you face and so on.

**Hon. Mr. Rhodes:** I don't want to leave the impression at all that something was being done to inflate figures in order to get a greater increase in rents. I think I should point out that if the rent review officer asks for actuals then, of course, the manager is obliged to provide them. Whether or not he asked for them in this case, I don't know, but it would appear that he more than likely asked for the actuals for 1975, and the only figures you could give them for 1976 would be the estimates. For a fairer comparison, the rent review officer really should have looked at the estimates for 1975 as compared to the estimates for 1976.

**Mr. Hall:** Yes, I agree with that. I agree that you have a large problem here.

Just for my edification and possibly for the record, going back to base one, how does a small municipality, which is not as sophisticated and does not have the staff and the social service groupings of the Metro Toronto area, become aware of the availability of OHC housing? What are the steps in the process?

**Hon. Mr. Rhodes:** The procedure, in its simplest terms, is that the council in the community requests a survey to be done of their needs.

**Mr. Hall:** May I ask you at this point, Mr. Minister, do you have a system of continuously acquainting councils with the opportunity to request a survey?

**Hon. Mr. Rhodes:** As the deputy has just pointed out to me, the magazine, "Housing Ontario," an older copy of which is there, goes to all municipalities. That particular copy you have lists all the programmes available through the ministry. It does go to all municipalities, plus there are workshops that are held periodically to advise municipalities of what programmes are available through the ministry.

**Mr. Hall:** So then the municipality asks for a measurement of need. Is this correct?

**Hon. Mr. Rhodes:** Usually the municipality will want an indication of what the needs are and then OHC, if there is no housing authority in the immediate area—now we let the authorities do a fair amount of that actual survey in the local areas, but if there is no capability, no authority in the immediate area—then OHC employees will go in and do a survey and advise the council as to

what their particular needs are for both family and senior facilities.

**Mr. Hall:** And in Community A they may say, "Okay, there seems to be a need here for 57 units," or something like that, eh? Is that need measurement padded to allow for the long lead time it takes between conception and occupancy of a building? There could be as much as four years go by.

**Hon. Mr. Rhodes:** No, it is not padded at all. If we see a need for, say, 57 we would probably build 60 though, to round it off. There is no lead time involved. If there is a long delay then we will do a review of the whole area. There can be some long delays.

**Mr. Hall:** This is what I was going to say. Would it be unfair to say that from request to fruition it's in excess of four years in some instances?

**Hon. Mr. Rhodes:** It could be, in order to find the appropriate land, an appropriate site, in any particular community. Rezoning may have to go through. One that pops into mind that we have been having a little wrestle with is a very small project, but we are caught in a rezoning problem involving two councils and it's dragging on. So that can cause delays. Sometimes you go into the area and if you don't have the regular municipal sewer services, you go in and do soil tests and you find out that in the area you are looking at you really aren't able to put in the septic systems or whatever system you are going to use. You've got to go looking elsewhere.

**Mr. Hall:** Aside from all those other external factors, such as zoning problems and lack of services, hard services particularly, are you satisfied that the projects get off the ground as fast as they should? It is a difficult question for you because, frankly, in one in my community I have felt that it has taken a long time to get going and I don't know what the problem is. I think in this instance there was a redesign because of costs. Would that be a fair statement?

**Hon. Mr. Rhodes:** Yes, that could be a very important factor, the fact that we suddenly discover the cost of a particular building is going to put the unit costs higher than they really should be for budget purposes.

**Mr. Hall:** Are you able to use much standardized design, or do you face site limitations so that you have to re-create anew through an architect in every instance? And do you use architects in every instance?



**Hon. Mr. Rhodes:** Architects are used for the design of the building.

**Mr. Hall:** But they are not staff architects.

**Hon. Mr. Rhodes:** No, they are not staff architects. They can be. There are some. We do attempt to use existing plans. We may have a project, say in the city of London, that you could build quite handily and we have the drawings and everything for it, so the same project can be built elsewhere.

**Mr. Hall:** How small do you go down in terms of an OHC unit in the community?

**Hon. Mr. Rhodes:** Ten to 12 units.

**Mr. Hall:** So it is safe to say then that this facility is available to almost any community in the province? Is that right?

**Hon. Mr. Rhodes:** Can I come back just for a moment to the question of design and costs? We, of course, are subject to approvals of Central Mortgage and Housing in these projects as well, and Fort Frances is a good example of where we redesigned a building three times and retendered it three times, before we could get CMHC to go along with the cost. We still haven't got it, by the way?

**Mr. Hall:** Why would that be, Mr. Rhodes? In connection with redesign, if your people are familiar with CMHC standards, why would it take three cracks at design?

**Mr. Riggs:** In redesigning it each time in Fort Frances, we kept to our basic specifications. We attempted in each case to remove some of the items which were in Schedule A that you have, which we believe are essential or helpful in terms of the seniors or families we're housing. In taking them out, we're perhaps reducing the project below what OHC feels or believes is a rounded-out project, having some recreational facilities and lounge facilities particularly in the area of Fort Frances or Ear Falls. I mention Ear Falls because we've got similar problems there.

Central Mortgage and Housing Corp. utilizes, and I will use the term, sort of an ad hoc basis to judge costs in various parts of Ontario. They don't have bench marks by which the province can gauge the costs in advance. In each case, when we went to them with fully tendered projects, having qualified bidders, they basically said it was beyond their costs. We asked our architects to find any ways and means of reducing costs, of cutting the building down in size. In

the end it became very difficult because there wasn't any room to move.

We hope that by tendering it in the fall, builders will be encouraged to bid firm for spring starts. That's when you're normally down; if you're looking for business in the fall, you're looking for spring construction. We finally awarded but we still haven't received CMHC approval for the costs. We're going ahead because we believe that three years is long enough for the province to take in trying to get a project off the ground.

**Mr. Hall:** If, because of your pipeline problem, from whatever cause, four years passes and you're, say, 50 per cent deficient, already you've created a waiting list or a waiting list has developed. You might need 90 instead of 60 or something like that. Does the whole process have to be initiated all over again? A new request for a measurement of need?

**Hon. Mr. Rhodes:** It might. We may very well have to review the needs in the community. Maybe the one project isn't going to be enough and they're going to need another. There will be a second project. Some strange things happen. There was a story in the Globe this morning which I read with a great deal of interest because I know what's happened in that particular project.

**Mr. Hall:** The Mississauga one?

**Hon. Mr. Rhodes:** This is the Mississauga one. I read that with a great deal of interest this morning knowing a fair amount of the background on that one. I'm not going to go into the specifics of what was said in the article but I can tell you that the desire there was to have us build fewer units on the piece of property which would have placed the land cost per unit just beyond reason. As it was we had paid a very substantial price for the land to begin with but then they asked us to reduce and redesign and change. We would, frankly, have been better off, under those terms, not to do the project. With the 60 units as we proposed and the design, we can do it even though the cost will still be relatively high. We can do it. I'm hoping the municipality will see the wisdom of going along with that.

**Mr. Hall:** Yes, the newspaper article suggests OHC is having to ask for special allowances on certain of their own municipal standards because of your costs, but you don't see it that way, I gather, from what you've just said.



**Hon. Mr. Rhodes:** Architectural design was where we were getting into a hassle with them. I note in the article they were discussing the possibility of having five members of the council coming down to see me. One came down to see me, one rather well-known member, and knew the answer. Sending five down isn't going to help them any better. You might as well bring down the whole council because I can tell them my position individually or collectively. It doesn't matter. We just would not build a building at that price. I thought maybe they were going to come down and swarm over me or something.

[3:00]

**Mr. Hall:** Is land so short in Mississauga that the site choices were that limited?

**Hon. Mr. Rhodes:** Properly zoned land upon which you can build almost anything is short in Mississauga. The land is there. It's a question of what you can put on it and what the municipal council wishes to have put on it. I don't know whether you would call it a progressive attitude. Mr. Gregory lives there.

**Mr. Gregory:** Could I throw in a comment?

**Mr. Hall:** Sure.

**Mr. Gregory:** That particular piece of land you are talking about, wasn't the ministry encouraged to buy that by the same municipal council?

**Hon. Mr. Rhodes:** That's correct. It's an interesting exercise—

**Mr. Gregory:** By the same people who are raising all the hell right now too.

**Mr. Hall:** Well, it gets to be a pretty expensive unit cost on land. The article indicates that you try to have a limit of \$150,000 an acre in that area. I would hope that you wouldn't particularly want to see that figure stipulated as what your top price was everywhere in the province.

**Hon. Mr. Rhodes:** It depends an awful lot on the densities too.

**Mr. Hall:** However, you go through the process of two independent appraisers to arrive at a price. Do you have the power—

**Hon. Mr. Rhodes:** We don't acquire the land. Government Services acquires the land for us.

**Mr. Hall:** Well, government acquires the land. It's very close to the same thing, isn't

it? I mean, in what way would it make a difference?

**Mr. Cassidy:** There is a difference between this minister and Margaret Scrivener.

**Hon. Mr. Rhodes:** They do all the appraisals and the actual acquiring of the land.

**Mr. Hall:** This is a departure in the last year or so?

**Hon. Mr. Rhodes:** Yes.

**Mr. Hall:** I've just a few more questions. How much turnover do you experience? How much upward mobility are people able to manage in today's economy in your OHC units? Do you have a handle on that?

**Hon. Mr. Rhodes:** You are actually asking two questions, turnover and upward mobility. Perhaps you can answer both, Mr. Riggs.

**Mr. Riggs:** In terms of turnover, which would include upward mobility, it's running about 10 per cent throughout the province generally. In some cities it would be slightly less and in other cities it might be slightly higher; in some projects it would be less, in other projects it would be higher. That includes senior citizens because there is a turnover in senior citizen occupancy because of death or illness, or because of an increase in income, inheritance and things of that nature, they do move out. It is mainly because of illness and death, I think. Generally there is a turnover. In families it is running between eight and 12 per cent. That would include all categories, including those who have increased their income where they can buy or rent in the open market, and those who move to other cities to find employment and things of that nature, a series of categories of why they leave OHC.

**Mr. Hall:** You have pretty good statistics on that to guide your current and future thinking then, do you?

**Mr. Riggs:** They are very general in category. They are not that specific. I think we should have better statistics in that area, but they are general and they do give us a category kind of turnover which would give us some guidance in the future.

**Mr. Hall:** Do you have current subsidy figures for the broad range? I am thinking of comparisons with information I had from last year. In the rental units in Metro, excluding rent supplement, what is the provincial subsidy and what is the total subsidy? To assist you, the latest figures that I had were for



1975: Metro OHC, excluding rent supplement, showed \$78 per month provincial subsidy and a total subsidy of \$193 a month.

**Mr. Riggs:** We deposited, which might help, a sheet that looks like that. I believe that was tabled with you when the minister started speaking this afternoon. It will give the subsidies, not only by Metro projects but also the subsidies for each administrative area of the province that is managed by OHC.

**Mr. Hall:** Just pull out a figure or two, will you? Excluding rent supplement, the provincial subsidy portion is how much for OHC in Metro?

**Mr. Riggs:** The provincial subsidy for Metro projects, excluding rent supplement, is \$32,121,923.

**Mr. Hall:** You don't have a per unit figure there?

**Mr. Riggs:** I will get that for you.

**Mr. Hall:** The figures I have been provided with by Mrs. Dulcie Burke in February of this year must be pretty close on. They show that in Metro the provincial subsidy for OHC was \$78 a unit a month and provincewide, excluding Metro and rent supplement, it was \$53 per unit per month. I assume that this is factual. The interesting thing is the fact that, comparing rent supplements in the Metro area, the corresponding provincial subsidy is \$57 per unit per month which matches up with \$78 for OHC. There is \$21 a month less cost to the government to do it this way.

**Mr. Riggs:** That's correct.

**Mr. Hall:** Your rent supplement programme is not being increased that much and yet it seems to be a good place to make an investment. Are there some difficulties in putting more money in that direction? It seems to be good value and has other benefits as well.

**Hon. Mr. Rhodes:** On the question of supplement, not right now as far as Central Mortgage is concerned. That's one of the areas where we are having some dialogue with them. We are limited to 2,000.

**Mr. Hall:** By CMHC?

**Hon. Mr. Rhodes:** They do share, as you know, in the subsidy.

**Mr. Hall:** Yes, but they share in the other subsidy too. Could you tell me why they are quota-ing that one? Are they quota-ing the other one?

**Hon. Mr. Rhodes:** I can't tell you why they are quota-ing it but I think what I can tell is that that's a rent supplement area. You are talking probably about the upper end of the low-income bracket because the system as it is now is that the building is owned by the landlord. We supply him with, say, three names and he decides which one he is going to take as his tenant. Those who aren't successful in getting into those units have to be housed then in our regular OHC units.

You are talking about a different income bracket, the people that are going into supplement housing. I can't tell you why there is a quota put on it. I guess they want to keep their costs to a minimum in that area. The deputy just points out that 46 per cent of the occupancy in OHC are mother-led families receiving social assistance.

**Mr. Cassidy:** I'm sorry, are 46 per cent both mother-led and receiving social assistance?

**Hon. Mr. Rhodes:** Yes, in the major urban centres.

**Mr. Cassidy:** Are mother-led families on social assistance?

**Hon. Mr. Rhodes:** That's right, or an entire family that may be receiving social assistance.

**Mr. Cassidy:** I'm sorry, 46 per cent of the tenants are on social assistance, and most of them are mother-led families?

**Hon. Mr. Rhodes:** That's right.

**Mr. Cassidy:** That's a bit different.

**Hon. Mr. Rhodes:** Let me get that figure correct.

**Mr. Riggs:** Forty-six per cent are on income transfer of one type or another. I wouldn't want to give the number of mother-led tenants; we don't know.

**Hon. Mr. Rhodes:** You're right. I don't want to deceive you on that. We don't have the figures in total as to the percentage, or the number of mother-led tenants—

**Mr. Cassidy:** Many of whom are on social assistance?

**Hon. Mr. Rhodes:** Many of whom are.

**Mr. Cassidy:** Many of whom are mother-led.

**Hon. Mr. Rhodes:** We could probably break it down in Ottawa or Hamilton, individual communities, but we don't have them in total.



**Mr. Cassidy:** What proportion of your families on the waiting list are mother-led families?

**Hon. Mr. Rhodes:** Probably a fairly high percentage.

**Mr. Riggs:** In Metro it's between 20 and 25 per cent.

**Hon. Mr. Rhodes:** Mr. Riggs says that in Metro we're running between 20 and 25 per cent on the waiting list of mother-led families.

**Mr. Hall:** Pardon me if this question has been asked before. I don't always pay 100 per cent attention.

What is the scope of the programme for the year that started April 1, in terms of the number of units you hope to achieve?

**Hon. Mr. Rhodes:** Mr. Hall, that question has been asked before, and I will give you the same answer. I'm not going to tell you what the numbers are. I don't play the numbers game. We'll put up as many as we can possibly put up. I don't want you beating me over the head with that number.

**Mr. Hall:** You will put up as many as these dollars will put up?

**Hon. Mr. Rhodes:** That's right.

**Mr. Hall:** And you wouldn't want to hazard a guess as to how many that's going to be?

**Mr. Cassidy:** When you've got nothing to show, you hide it as much as you can.

**Hon. Mr. Rhodes:** No, I'd rather not give you a misleading figure. It's as I said; I'd do exactly the same thing—I'd beat you over the head with it if you gave me a wrong figure.

**Mr. Hall:** Would you give us a range, Mr. Minister, just so I get a feeling for this thing?

**Hon. Mr. Rhodes:** Would you supply ranges?

**Mr. Hall:** No. You're very specific on the dollars that you need.

**Mr. Riggs:** Mr. Chairman, trying to break this down into programmes, because some of these are controlled, we mentioned that CMHC had put a quota on rents upwards of 2,000 units. In terms of senior citizen housing, in very close co-operation with Metro, and with the funding provided by the federal government through CMHC, there

are sufficient funds to commit between 4,000 and 5,000 seniors this year.

**Hon. Mr. Rhodes:** In Metro.

**Mr. Riggs:** In Metro and the province. There are sufficient federal and provincial funds to commit between 4,000 and 5,000 senior citizens. In terms of family housing, including the rural and native housing programme, and our very small family housing programme with direct construction—as the minister said, we're not in big projects—we'll build small projects in municipalities something within the vicinity of 500.

Under the community-sponsored programme, which is also limited by federal funding, they're projecting somewhere around 3,000 units, of which 25 per cent would be basically rent supplement units for low-income families. In terms of the HOME programme, based upon funding once again, it would be somewhere in the vicinity of around 4,000 units.

**Mr. Cassidy:** What was the last one again?

**Mr. Riggs:** The HOME programme.

**Mr. Cassidy:** The HOME programme.

**Mr. Riggs:** Somewhere in the vicinity we have funds on which we'd commit 4,000 units.

**Mr. Kerrio:** That wouldn't necessarily go with the management.

**Mr. Riggs:** That basically is the assisted programmes that we have funds for, Mr. Chairman, and where commitments can be made based on that funding being available throughout the entire year.

**Mr. Cassidy:** Could I ask a question? Are the 750 units which would be rent-supplemented in community-sponsored—are those included in the 2,000 units in rent-supplemented you talked about previously, or are those in addition to it?

[3:15]

**Mr. Riggs:** Those are in addition to the others, Mr. Chairman.

I should mention, Mr. Minister, that we have had a call out for what is called accelerated family housing, for 2,000 units, by OMC. That call is closed, and I don't know the results of the call. I know it was over-subscribed, for rental housing; but I don't know what the mortgage corporation has done in terms of any approvals.

**Mr. Hall:** I've had difficulty with financial statements. There is always an attempt to



have a short wording to describe a function, and this I'm sure runs through your books as well as any place else. So you're familiar with it. Tell me the exact—not the exact but the dollars in millions—the amount that you are using in the Province of Ontario this year of provincial funds to create additional units. Not to maintain the present ones, I mean, to create new ones.

**Mr. Riggs:** Mr. Chairman, I need a clarification; are we talking about cash flow dollars or are we talking about commitment dollars?

**Mr. Hall:** Let's talk about commitment dollars. If you were starting from scratch and you didn't have the time situation, commitment would be an honest way of stating it I guess, eh? Straightforward terms.

**Mr. Riggs:** In terms of commitments for the family and senior citizen housing, we will need, in terms of provincial dollars, approximately \$14 million; which is 10 per cent dollars in relationship to federal dollars.

**Mr. Hall:** So that's the figure on page 158 of my book; rental housing \$14.3 million I guess, eh?

**Mr. Riggs:** That is correct, sir. That also includes some of the rural and native housing programmes, which I include under the family housing.

**Mr. Hall:** Again, to assist me because you're familiar with these figures, do I read, from page 157 of the estimates, that your total subsidy, which you call housing management, is estimated to cost you, at the provincial level \$65,562,000 this year?

**Mr. Riggs:** That's correct. That's the 42.5 per cent share of the overall operating deficit created by the management of the some 70,000 units in the province.

**Mr. Hall:** That's fine, you've clarified the ball park for me.

The directors of OHC you were kind enough to list for me, and also of the Ontario Mortgage Corp. I'm not going to talk Ontario Mortgage Corp. right now, but I do notice that they have an expiry date of term of office and yet it's not listed for OHC. Is there an expiry date for term of office of OHC directors?

**Mr. Riggs:** Yes.

**Mr. Hall:** Why would the one be listed and not the other? Just a different guy prepared it?

**Hon. Mr. Rhodes:** It just wasn't put on. It should have been.

**Mr. Hall:** When their term expires are they subject to immediate re-election?

**Hon. Mr. Rhodes:** No, they are not necessarily automatically reappointed, no.

**Mr. Hall:** No, but it's open to reappoint them. There's no waiting period between tenures.

**Hon. Mr. Rhodes:** No, there's no maximum time.

**Mr. Hall:** I just noticed that the chairman was appointed close to 11 years ago.

**Hon. Mr. Rhodes:** You'll find others were appointed prior to that, in 1964. There are one, two, three, four; four in 1964.

**Mr. Hall:** It's been my experience that there's some merit, whatever the organization, in turnover from time to time to get new ideas and what have you, and a new feeling about things. Would you say this attitude is also present in the constitution of the OHC board?

**Hon. Mr. Rhodes:** I don't disagree with the thought that there is a lot of merit in turning people over, if you will, in having them serve a period of time—

**Mr. Hall:** I really meant the office turning over.

**Hon. Mr. Rhodes:** Mr. Hall, obviously in the producing of the material that was distributed on the extreme left hand of the column, there should have been the dates for the end of their appointment. For example, Mr. Clow—even half is missing off mine—would be the end of this year, Dec. 31, 1976. Mr. Riggs may be there forever. Mrs. Hendry, Dec. 31, 1976. Mr. Kaminsky, it must be April 24, 1976—so his term is up. There will be a reappointment there—either of him or someone else. It is Dec. 31, 1976 for Mr. Ladyman. July, 1976 for Mr. MacInnis. Again, Dec. 31, 1976 for Mrs. McHale. It is July 16, 1976 for Mr. McLean. It is Dec. 31 of this year for Dr. Rose and Dec. 31, 1977, for Mr. Trusler.

**Mr. Cassidy:** You're going to have a big turnover at the end of the year.

**Hon. Mr. Rhodes:** Yes.

**Mr. Cassidy:** Except for Mr. Trusler—

**Mr. Hall:** This isn't the way I would run a railroad, Mr. Minister.



**Hon. Mr. Rhodes:** Sorry?

**Mr. Hall:** I was saying facetiously that this isn't the way I would run a railroad. I'd have staggered terms, rather than them all falling due, with the exception of one, in the same year. And Mr. Riggs, as you say will be there forever, but—

**Hon. Mr. Rhodes:** OMC does have a staggered term with—

**Mr. Hall:** I'm talking about OHC.

**Hon. Mr. Rhodes:** There are four that are brand new, really, on the board, just appointed last year: Mrs. Hendry, Mr. Kaminsky, Mr. MacInnis and Mr. McLean.

**Mr. Hall:** My figures show that Mrs. Hendry was appointed in October, 1973.

**Hon. Mr. Rhodes:** I'm sorry, you're right. My apologies. Mr. Kaminsky was 1974. When I say "new appointment of Mr. Kaminsky," I'm thinking of the last year, for his new term.

**Mrs. Campbell:** It's just newer.

**Hon. Mr. Rhodes:** Compared with 1964, that's newer, yes. We are all much younger then.

**Mr. Hall:** I'm trying to develop a feeling here for the vitality of input into the board. Now, I'm not saying that the board is not vital. I look at this and questions come to my mind. Usually in any situation you get vitality of input by having turnover, and this is why I've asked this point.

**Hon. Mr. Rhodes:** As I said, I don't disagree with the value of having new faces, but I also don't believe, necessarily, in turnover just for the sake of turnover. Changing people just for the sake of changing. I'm sure you would—

**Mr. Hall:** That's what you said last September—

**Hon. Mr. Rhodes:** —you would agree with that in your particular case, Mr. Hall.

**Mr. Hall:** Oh, no. I don't think you should turnover just for turnover, no. I wouldn't ever—

**Hon. Mr. Rhodes:** I mean, if somebody's doing a good job they should stay there.

**Mr. Hall:** This is always the qualitative question that has to enter into the decision; therefore there is sometimes a subjective judgement as to whether the job is being well done. Again I'm not being specific here.

**Hon. Mr. Rhodes:** Somebody has to make the decisions.

**Mr. Hall:** Is there much remuneration attached to this job as a director?

**Hon. Mr. Rhodes:** It's a per diem rate. I don't have the figures here but it's a per diem rate on the meetings.

**Mr. Hall:** I'm sure someone here must know.

**Hon. Mr. Rhodes:** It's \$95 for members and \$125 for the chairman.

**Mr. Hall:** Just to get a better feeling of the activity, aside from Mr. Riggs, who may meet with himself, how often would the board meet normally?

**Hon. Mr. Rhodes:** Twice a month.

**Mr. Hall:** Two meetings a month?

**Hon. Mr. Rhodes:** Plus three committees.

**Mr. Hall:** The board is broken down into subcommittees of certain responsibilities, is this the case? They have three committee meetings a month?

**Mr. Riggs:** To clarify that, there are two meetings of what they call the housing production committee. There is one meeting of the property management committee per month and there may be one meeting of the finance committee, although it may be every two months. That's why it rotates between three or four meetings per committee per month.

**Mr. Hall:** They meet in Toronto, I suppose, do they?

**Mr. Riggs:** Yes, generally they meet in Toronto.

**Mr. Hall:** Just bear with me a minute here. That concludes my questions for right now, Mr. Chairman.

**Mr. Chairman:** I have Mrs. Campbell next; Mr. Williams; Mr. Cassidy.

**Mrs. Campbell:** Mr. Chairman, I would first like to express my appreciation to the minister for the new thrust in giving information about Ontario Housing to us. I think we might have shortened estimates in the past considerably if we hadn't all been trying to seek it out bit by bit. Having said that, I still hope there will be more information forthcoming.

I am concerned, following along what my colleague has been questioning about, with



the board. It seems to me that we ought, sooner or later, to come to grips with the kinds of activities of the board over a period of time. As you know, we've all had some very real questions about activities in land assembly in the past, for example, and in other items. I don't think that we in our caucus are ever going to be entirely satisfied until we get the kind of information we've been seeking about this operation.

When we're looking at a board we ought to know, I think, what mistakes the board may have made; what errors in judgement may have been made; or how they arrived at some of their conclusions. I think you will find we'll continue to dig for that information. I hope the minister will recognize the very real questions in the minds of many of us about the operation of Ontario Housing, partly because of the unfortunate publicity it's been subjected to.

I understand when Mr. Riggs took over that a memo went out to the staff of the corporation advising them of the impropriety of these activities. I think most of us have a very real question as to whether or not we actually are at the root of the problem. The public is questioning it. We're questioning it and I would hope that we would have from the minister the kinds of material which would enable us to put to rest the various concerns we have about this operation in the past. I think it's interesting that the government should have moved away from having Ontario Housing in the land acquisition business.

[3:30]

I think it's interesting too that apparently Ontario Housing is moving away from family housing as well and I would like to know somewhat of just where its future is. What is it going to be doing? I'm very confused, I must say, about the trends. I believe that a spokesman of the board in Ottawa recently advised that in fact OHC was going completely out of the family housing business. If that is the case then I think we'd better all know what it's going to be doing.

I read with a great deal of interest the statement which referred to gross or net income, which was given to us. I have to say that I'm really unconvinced by that statement and here again I'm confused between the philosophies of different departments of this government or different ministries.

If the thrust is to promote the work ethic—and I have no complaints about that as a general statement. I have great complaints about some of the statements that have been

made about it, but if that is the real thrust, then why don't we, in housing, give to those who are working, who have very modest incomes, some of the breaks that they are entitled to? To me, if a person is on benefits of one form or another, that income is both gross and net at the same time. If you are the working poor your gross and your net have no comparison. If you take two families side by side, with the same number of children, the whole family size being the same, it is wrong to me what we're doing in our scales as far as the working poor are concerned, because certainly they have far less disposable income under this sort of operation than those who are in receipt of benefits.

I don't think I can be convinced of the equity. I can be convinced that it's a trouble to calculate; I can be convinced that it's perhaps not good business; but I can't be convinced that it is equity in terms of human need.

**Hon. Mr. Rhodes:** Mrs. Campbell, if I could comment on that. You say you recognize the difficulty, but how do you really arrive at the net income, because of the variables involved? For example — I'm not thinking of the individual you are referring to as the working poor, the person who is making a very minimal salary, but as you well know in a number of Ontario Housing units you have people whose income when they moved in was low and, when their income has increased they have remained as OHC tenants. Fine. How do I arrive at the net income if that particular person—and I know this is hypothetical—is having a deduction made from his or her cheque to buy a bond? Should you and I and the rest of the taxpayers of the Province of Ontario be subsidizing an individual who is in fact putting money into a form of savings?

**Mrs. Campbell:** My understanding is that at the moment—now perhaps you've changed. Certainly it was formerly the practice where a person was working, to get verification by the employer as to what in fact he took home, what in fact he made. I would assume that if that is a continuing practice you would simply find out by asking the question, or by seeing the documented evidence of the employer.

I know you do it in my area. You may not do it across the province, but in my area the people have to file pretty regularly what their salary is and they have to have it verified by the employer. I wouldn't think it would create too much difficulty to get that additional information if you're continuing that practice.



**Hon. Mr. Rhodes:** In a lot of the cases we do really depend upon the honesty of the individual.

**Mrs. Campbell:** I guess perhaps St. George has some kind of a reputation because you don't depend on the honesty of the individual there; you depend upon the employer's word.

**Hon. Mr. Rhodes:** When I say the individual, I mean the employer.

**Mrs. Campbell:** Oh, I see. I'm sorry, I thought you might think the tenant was honest.

**Hon. Mr. Rhodes:** If the employer is giving us bad information, we're in trouble.

**Mrs. Campbell:** I don't really think that's a problem you can't overcome if you really look at what you're doing to people in disincentives to work that you yourselves create by your practices. It just doesn't make sense.

I was thinking in terms of a case of a woman on welfare. She decided she wanted to get off welfare. Her earnings at the end of the month would be \$100 a month less than she got on welfare. Her rent was reduced by \$10 a month. What kind of an incentive are we talking about? You've got one ministry saying one thing and another producing a completely different philosophy. It worries me, because I feel that the working poor in our community, and those who try to struggle out of the welfare field, really are the heroes of our society. I think it's the toughest thing in the world to do, but we have it in this particular situation. I can't accept that you can't get that information from employers, which you're getting now. Virtually all you have to do is ask for one piece of additional information.

I'll tell you, over the long years from 1959 on, I attended housing conferences till they were running out of my ears. We had all of the people producing public housing saying that you couldn't possibly work it out, and all the other people were saying I think you can if you try. It's still the same debate going on so many years later, and it bothers me.

Specifically, I would like information on whether or not there are any agreements with Meridian or any part of its conglomerate with reference to the three towers which they're building at St. James Town.

**Hon. Mr. Rhodes:** Not on the ones they're building.

**Mrs. Campbell:** I know of the others. You are not involved in any way, shape or form?

**Hon. Mr. Rhodes:** To the best of my knowledge, no.

**Mrs. Campbell:** I see; thank you. A year or two ago, I think, there was a housing conference here, and the then deputy advised us that you had this programme of courses for training the managers of your housing projects. Are those courses still going on?

**Mr. Rose:** Mr. Chairman, at one time we ran two-week courses in housing management training at Humber College. Subsequent to that, we have started a full-time course at George Brown, which is a two-year property management course. Also, we now have provincial approval for a correspondence course, which will be conducted by George Brown, for which we must seek CMHC approval. So where we were running a number of ad hoc courses, we've now got a formal course at George Brown and we hope very soon to have a correspondence course that will be available to anybody interested in housing management throughout the province.

**Mrs. Campbell:** Does that course cover anything other than property management? Does it have any social content?

**Mr. Rose:** Yes. I think if I could elaborate, the course is very broad—I use the term generically—and it does include the social aspects as well as the maintenance aspects. There are also two other sub-elements of the correspondence course, one dealing with municipal building inspectors and the other dealing with residential construction superintendents and inspectors, so it does have a social aspect as well.

**Mrs. Campbell:** Thank you. At the time that I was discussing this particular topic, which was in the Macdonald Block, as I recall, I asked what was being done about those managers who were not on your staff, whether they were required to take this course. Are they or are they not?

**Mr. Rose:** Some of the managers have taken the courses. As a matter of fact, the initial two-week courses were done at the instigation of not only OHC, but also of private management companies that were working with us. But I couldn't say at the present time if all the managers who are now working for the private management companies have taken the course.

I know one of the private management companies has a very senior person who is a fellow of the Institute of Housing Management in the United Kingdom. I think it's



been mentioned before by the minister, but one of the members of the newly-formed Institute of Housing Management is an employee of Montreal Trust. We will encourage private management companies and the public sector and the third sector all to participate in the housing management training to improve their skills.

**Mrs. Campbell:** Thank you very much. Mr. Cassidy was talking about the Montreal Trust, and I have no brief with the Montreal Trust, but I must say that my concerns in my riding are far more with the management which is operated by the developers. I'm concerned about it because I think there is a completely different attitude to the tenant under that kind of an operation.

I am very worried, too, that we are in the position, if I may again look at St. James Town—I don't know how familiar you are with St. James Town—but you have in that case a very dense area. The conventional buildings are owned and operated by the developer. The developer owns the limited-dividend projects in that area—there are three of them—and he then manages the Ontario Housing operation.

I am very concerned about that kind of management for a number of reasons, because there isn't the social thrust in management that I would like to see in this kind of an operation.

I believe that Davenport is managed by Greenwin; I'm not sure, I think that's correct. I have found quite different approaches between the two—for instance, on the leases themselves. Traditionally, in Moss Park and in St. James Town, we have followed the practice which was instituted, as far as I know, by the old Toronto housing authority. You didn't change the lease on the immediate increase in income, but only when the lease became due; although you did make the arrangement that if, in fact, the income dropped, then you would immediately give effect to that—and I think that is admirable.

But I found that—and I don't know whether it's continuing, I examined it at the time—in St. James Town they carry out that form of plan and they don't increase the rent until the end of that lease. However, that was not the case at Davenport.

I think there ought to be some standard right across this province so that all the people are treated equally. My information is—and it is from a tenant at one of the anti-poverty meetings—that some of the tenants in buildings operated by housing authorities are treated quite differently from others. I

was particularly referring to the Oshawa area. I can't give you the precise project, but the people there said the same sort of thing prevailed as prevailed at Davenport. I think this is wrong; I think there should be a standard and we should adhere to it.  
[3:45]

**Hon. Mr. Rhodes:** All I can say is that as far as the rents are concerned, that standard is to apply to all OHC units across this province. If there is any change from that standard, then I think we should be notified immediately.

**Mrs. Campbell:** Would it be possible that you would do an investigation across the province to determine the extent to which there are variations—and if, in fact, there still are variations?

**Hon. Mr. Rhodes:** There is an audit on all of these things, and it should show. If that is occurring, it certainly shouldn't be occurring. There's no question about that.

**Mrs. Campbell:** Well, mistakes can be made.

**Hon. Mr. Rhodes:** Sometimes you wonder whether they are, in fact, mistakes.

**Mrs. Campbell:** That's exactly the problem with me. Another thing that bothers me is that we talk about 25 per cent of income for rent, and I would assume it would apply to any income. Yet I have a case—and I am prepared to give the particulars at some other time—involving a DVA widow's allowance of \$192.18, and the rent was increased from \$49 a month to \$98 a month. By my arithmetic that is not 25 per cent of income. For some reason or another in my riding, the DVA people are very much of the opinion that they are penalized in the rent scale, and I would like to know why they have that impression. That is one of the reasons why they have it.

**Hon. Mr. Rhodes:** If we can get specifics from you it will help.

**Mrs. Campbell:** Yes, I will supply them. Now, we have seen in ministry after ministry that, after last year, there was to be no discrimination. In every case when any person opened his or her mouth on it, women have been hit and hit very hard. One of the cases where we don't have discrimination involves a mother and her family—and this is a specific case too, although I can't give you the number of children—but the children were all being treated in hospital for lead poisoning. The father took off and there were



arrears of rent. So that there would be no discrimination, mother would have to pay half of the arrears and father would pay half of the arrears, or she couldn't be in public housing.

The one factor that I think nobody takes into consideration is, if it's man and wife—I have no trouble with that, all things being equal—but nobody stopped to think that that was a woman with children and, therefore, perhaps her obligation shouldn't be equal because she has the children to look after. It caused a great deal of difficulty, and I don't know to this day whether that kind of case has been resolved. I think you should look at it. It's great to have no discrimination, both of them equally responsible, except she's more than he is in responsibility.

There is another philosophy that bothers me, and bothers me deeply, and that is this. If you have a person who is middle income and they are having some problems with their kids, usually they can find some help some place. Again, when it's a matter of a mother with children, and she has a son who is a real problem to her, then she is given a choice—"Get rid of him or you get out." It strikes me that in the 20th century that's a pretty cold proposition.

It came forcibly home to me—and this may sound terribly melodramatic to you but I assure you it is a fact—it happened in Moss Park and it's also happened in Alexandra Park. The mother was faced with this problem and she was really at her wits' end. She was a working mother. The son was picked up by the police and lodged in a station. He knew that his mother was having this problem. He was, I guess, just unable to handle the situation. He wasn't any help of course; it was just, "Get rid of him or you get out."

So he resolved the problem for her. He hanged himself in the station. That left a pretty bitter taste in my mouth. I wonder if we can't have a little more humanity, if we can't help with these cases. There are men who find they have sons that they aren't too capable of handling either. Here is a woman with a family. Add to that burden the fact that she has this decision to make. It is pretty tough.

**Hon. Mr. Rhodes:** Well, what do we do? We have a choice, don't we? You're giving a case, and I appreciate you're not giving specifics and I understand why, but what do we do? We're down to the community versus the son.

**Mrs. Campbell:** No.

**Hon. Mr. Rhodes:** Our responsibility is shared for that particular lady, but I can tell you about, and I can show you, all kinds of correspondence that I received and the ministry receives as well, where the people living in that particular community are saying—and they are tenants there and many of them are mothers—"Will you get that s.o.b. out of here because he is driving the rest of us crazy?" There is a time when the management has to make the choice between the well-being of the rest of the community there and that particular individual.

If the son or whoever is causing that sort of hassle was in a private building, he would get turfed out just as well. I think it is only fair and proper, if he is interfering in the enjoyment and the life of other people in that building, that in fact he be tossed out.

**Mrs. Campbell:** Well, there again, I find an interesting kind of approach because I am very familiar with a lot of these kids and I know the problems probably better really than anybody in this room in that downtown area and in the north of Toronto too, not just the south end.

**Hon. Mr. Rhodes:** It is all over the province.

**Mrs. Campbell:** That's right, but I want to say this. It seems to me that if we have managers who have had some courses and some training in some of the social problems, they could certainly at least help to direct that mother as to where she can get help. This is important, because there is no place for her to go after public housing. There is literally no place to go.

**Hon. Mr. Rhodes:** In the case that you're referring to, though, there are agencies within the various communities that can be of assistance to her. I'm not saying that the lady herself should be thrown out of the unit. She should have, first of all, whatever assistance can be given her to try to handle that problem. But eventually you may get to the point—and my goodness, I'm aware of them and so are you—of where you just get to a situation where there is no solution other than saying to the lady, "Madam, either have him removed from the area or you have to go with him, because we have X number of other people in this building who want to live here in peace and quiet, hopefully, and we can't have the whole community destroyed by the actions of one or two individuals."

**Mrs. Campbell:** I couldn't agree with you more, except that there is such a limit on



agencies that can deal with children after the age of 16, which is the age at which you turf them out. Any that can are already so overwhelmed with additional responsibilities that this government has placed upon them with reduced funding, that you have a problem there which is created by the mixed philosophies of this government.

**Hon. Mr. Rhodes:** I fail to see, as a society, how we can differentiate between those persons who are housed in Ontario Housing Corp. facilities, or those who are housed in buildings that are operated privately. And yet I get the distinct impression from comments that you've made and others have made, and not only in this room but elsewhere, that we should do so many different things and treat people so differently in Ontario Housing Corp. units, as opposed to others who are living in the private sector in apartment buildings. I just don't understand why, because I also have the same people telling me, and I agree with it, that the people who live in Ontario Housing Corp. units are not different—and I have an awful time with this.

**Mrs. Campbell:** They're not.

**Hon. Mr. Rhodes:** They're not different, but try to tell that to some people.

**Mrs. Campbell:** But there is a difference in the circumstances. They are not different as human beings, but the difference is that if you're living in the private sector you have choices if you have to get out. If you're living in Ontario Housing, where do you go? That's the difference. It isn't that they're different.

**Hon. Mr. Rhodes:** I really fail to understand how we can possibly meet, through the public purse and through the Ontario Housing Corp., or any other agency of government, all of these individual social problems that are going to crop up. The bad boy or the wayward son or the drunken father—I don't know how we can cope with all of these things, or we'd have a bureaucracy—

**Mrs. Campbell:** You cope pretty well with the drunken father and you certainly cope very well with the deserting father. He's scot-free for the most part under our society; it's the mother who is left who takes the full brunt of the whole operation. That is a fact.

**Hon. Mr. Rhodes:** Not necessarily.

**Mrs. Campbell:** I'm sorry, but I happen to know you carry out the same principles as big corporations. They will take out a judgement against a man and a wife, but they don't

spend their money trying to find the man—they just wait till the woman gets off welfare, and then they pounce. That's the kind of thing that you're doing in a very different way.

**Hon. Mr. Rhodes:** I don't accept that as being a proper criticism at all. You're jousting at a windmill, and I'm not going to fight back—go ahead.

**Mrs. Campbell:** I don't ask you to fight back, I just ask you to give some thought to what I'm saying, because it is a fact.

**Hon. Mr. Rhodes:** I can show you some husbands who had their wives run away on them, too.

**Mrs. Campbell:** Yes, I know, but usually the husband is not left defenceless in a situation like that.

**Hon. Mr. Rhodes:** If he's living in an accommodation and he's got four kids—

**Mr. Cassidy:** He has turned into a Tory again.

**Mrs. Campbell:** I know, isn't it a shame?

**Hon. Mr. Rhodes:** Mr. Cassidy, I am not going to carry the whole world on my shoulders, nor am I going to listen to you get into this debate. You wait.

**Mrs. Campbell:** In any event, I take it that you are having these ongoing discussions on the matter of the rent scale, and I trust that there will be a good deal of thrust on your part to get the feds moving, because they are quite responsible and I don't hold any brief for them.

**Hon. Mr. Rhodes:** Let me say that as far as I am concerned I feel there's no question it's a time to rethink and rework that rent scale, and we've committed ourselves to do it. We think we've got some pretty sound arguments to place before the federal agency when we discuss this.

[4:00]

**Mrs. Campbell:** I very much appreciate it because when you give me that kind of commitment I know you will put some force behind it.

**Hon. Mr. Rhodes:** It is going to be done.

**Mrs. Campbell:** Good. There was one other small point I would like to make and that is you referred to your architects and the redesign of one building several times. Could you tell me how you engage your



architects? I have to tell you it was a bone of contention with me at Metro because we called the same people in. How do you engage your architects for Ontario Housing projects or ministry projects?

**Mr. Rose:** Yes, the architects are nominated to the OHC board of directors and among the criteria for the architect is, first, that the architect must be a local architect. We try wherever possible to employ a local architect in the particular community or, if it is a very small community without an architect in it, then the nearest adjacent town would have an architect.

The second criterion, of course, is the competency of the architect—that is, he has demonstrated a capacity in the residential construction field. Third is the availability of the architect to ensure that the architect is available and can do the work on time. Based on those criteria, they are presented to the OHC board of directors for its approval.

**Mrs. Campbell:** What would you do to meet those criteria in Toronto, where you have a number of architects locally? Do you tend to use the same one over and over, based on the fact that they have experience?

**Mr. Rose:** We are not really using any architects in Toronto, because this goes back to the fact that we just aren't building any more in Metro Toronto—

**Mrs. Campbell:** I know.

**Mr. Rose:** —but the same general rules, if we were going to build in Toronto, would be applied in Toronto.

**Mrs. Campbell:** And you don't rely then on the fact that they have experience in the field?

**Mr. Rose:** Yes, I think I mentioned that one of the—

**Mrs. Campbell:** Experience in your kind of—not whether they are good residential architects, but whether they have built for you before and therefore know your requirements pretty well—

**Mr. Rose:** No, it's the overall competency, not the fact they have specifically worked for us. And these are rotated. I should mention we work very closely with the OAA on our arrangements with the architects. So we rotate the architects as well, and we might use a number of architects in a particular city where we are building, based on the criteria that I have mentioned.

**Mrs. Campbell:** Thank you.

**Mr. Chairman:** We have Messrs. Williams, Cassidy and Kerrio. Mr. Williams.

**Mr. Williams:** Mr. Chairman, as I have expressed concern in the past, I do again with regard to the basic failing, if you will, of the Ontario Housing programme to totally overcome the divergence that exists between the people who are labelled as Ontario Housing tenants and the rest of the people in the community within which they are trying to be integrated. This has always been a very difficult social problem to overcome.

I think last year in the estimates we were talking about this concern.

I don't think there is any question that Ontario Housing has shown leadership that can be found nowhere else in providing the physical plant and facilities for the less fortunate citizens within our province who are unable to find and finance the housing that's needed to provide for themselves and their families. I think it was recognized early on by the administration that the integrating of, or the attempt to integrate, the Ontario Housing components into residential communities where previously they had not anticipated being placed has had, I guess, a certain degree of success. My concern is, of course, with regard to a certain degree of failure as well.

The failure, I guess, is certainly not to be laid necessarily at anyone's doorstep totally but rather in an attempt to locate and integrate the people who require government housing assistance into the communities by taking them out of the inner city and separating them geographically and putting them into newer communities and into more well-to-do communities, I think this has been, in principle, a most commendable undertaking by Ontario Housing.

But I think the failure—the failure to the extent to which we have experienced it, that is—has probably rested initially with the relationship of the projects in size to the community in which they are placed. I think the administration has not hesitated to recognize that perhaps this has been a contributing factor, in that in the initial launching of the construction of Ontario Housing projects into these new communities, perhaps the administration was over-ambitious as to the size of the individual components that it was placing in the communities. As such, rather than integrating the Ontario Housing tenants into the residential communities, they remain existing in isolation within the community



as an island unto themselves. Simply because of the size of the projects, the tenants seem to polarize and stay socially within their own confines, very much like the old medieval city with the moat and the surrounding walls.

As I say, I think the ministry itself came to recognize that this was part of the failure of the programme from a sociological point of view. I don't think there has been any failing as far as the provision of the physical components as such is concerned, although there is always an ever-greater demand being put upon the ministry. I think we have the provision of units and the demand clearly in perspective, and it's with regard to the sociological difficulties that I'm really directing my concerns.

**Hon. Mr. Rhodes:** Let me just comment briefly on that. Part of the blame, if you want to use that terminology, has to lie, I suppose, in about four or five different areas but one part of the blame has to lie with the original concept of building Ontario Housing units. I have gone into a lot of communities, certainly my own is an example, where the experience with these projects created the atmosphere that you have been referring to in the community. First of all, the name they got was low-income housing. Everybody felt that anybody who lived in there was of a lesser social level and wasn't quite up to the standards of the rest of the community. We put too many of them into one specific area. The projects were too large, and I think it is all relative to the size of the community. The people themselves stuck together because that was their social life within their own areas.

**Mr. Williams:** That's the point I was making.

**Hon. Mr. Rhodes:** The design of the thing at the time left a lot to be desired. We put chain link fences around them too, a great many of them, and that's always been a bug with me, although we've got away from that. It's going to take us some time, a lot of time, to overcome the attitudes that people have built up over the years about "subsidized housing." That's why I like the integration of the units into the community—the smaller complexes. That's why I have a great feeling for the supplement programme as opposed to building more projects.

**Mr. Williams:** And, of course, this is the point I was coming to, that certainly this is the new direction—the thrust, to use the over-worked term, that is being taken by your ministry not only in principle but in practice.

In looking at the figures we have before us on page 139, there doesn't appear—and these figures may be misleading—but there doesn't appear to have been any—For the benefit of the staff, I am looking in this manual here. I don't know if they all have this same manual or not. It doesn't appear that there has been any great shift of emphasis into the rent supplement programme, where I presume most of the individualized placement settings develop. I think it is in this area of the individualized placement of tenants that the success of the programme will ultimately be experienced.

**Hon. Mr. Rhodes:** Our problem is, and I mentioned it earlier—but perhaps you weren't here at the time—the problem we have in the rent supplement area is because of our agreements with Central Mortgage and Housing Corp. They have placed a maximum on us of 2,000 supplement units. So, that is all we can do under the shared cost programme that we have—

**Mr. Williams:** On a per annum basis?

**Hon. Mr. Rhodes:** No, it is 2,000 for this particular year, this fiscal year.

**Mr. Williams:** So that, in fact, the figures shown here for rent supplement of 4,706 at the beginning of 1976 and 6,422 projected at the end of 1976 would appear to be the maximum permissible under those working arrangements.

**Hon. Mr. Rhodes:** We are already getting pretty close to those 2,000 units.

**Mr. Williams:** Yet, as you can see, the percentage factors between the family—setting aside the senior citizens from it—but the family wherein you have, I think, physically speaking, the type of island component that I speak of where it is a highly visible, isolated, if you will, OHC project—because it is either an apartment building or a group of town houses—as contrasted to the rent supplement, where usually you have individualized units—maybe half a dozen or so in an apartment building—

**Hon. Mr. Rhodes:** Mixed in with the—

**Mr. Williams:** That's right, which I think is a far more preferable setting. I have said that before.

**Hon. Mr. Rhodes:** But the figures we are talking about here on page 139 are the total portfolio, as you know. The supplement programme has only come into being in the last three or four years. With the senior



citizen and family units we are going back to square one, and all are still under the part of the portfolio of the corporation.

With the increases, you are talking maybe 1,200 more family units. You are talking 3,000 more units for senior citizens which will come into being this year, hopefully.

**Mr. Williams:** All I am suggesting, Mr. Minister, is that the proportionment increase in the family accommodation does not seem to be lessening, as contrasted to the rent supplement situation. This suggests that I am looking for that shift of emphasis, which doesn't appear to be there, statistically speaking.

**Hon. Mr. Rhodes:** No, and you are right. The shift of emphasis will not be there and will not be noticeable until such time as we can work out the details of agreement between ourselves and Central Mortgage and Housing so that we get the quota taken off of us.

**Mr. Williams:** All right, could you enlighten myself, and perhaps the members of the committee as a whole, as to where we stand in that regard at this point in time?

**Hon. Mr. Rhodes:** We are having discussions now with the Central Mortgage and Housing people about this particular aspect of providing housing, and as well the question of the rent scales. All these things have been discussed, and as Mr. Crosbie mentioned earlier in this discussion, any changes that are being contemplated at the federal level were delayed as a result of a look at the total social programme that the federal government is involved in. But we are having continuing discussions on it. We think we have a good case.

**Mr. Williams:** All right, perhaps when you say you think you have a good case, what is the case that you have presented to them? No limitations as to numbers as far as—

**Hon. Mr. Rhodes:** That's right.

**Mr. Williams:** Are you suggesting the ceiling of 2,000 be taken off or that there be no ceiling as far as numbers are concerned? Are you proposing some other type of formula for it?

**Hon. Mr. Rhodes:** We would like to be able to take a look at it. As I say, we are at the very early stages of getting down to the nitty-gritty of this. I would like to discuss with them the possibility of taking the limit off, but we again have to look

at what the total cost is going to be at both levels of government. I don't want a completely open-ended programme. There has to be some way of keeping a cap on the thing. But we want to go in and discuss all of these details with Central Mortgage, because they will be sharing in the costs—substantially sharing in the costs.

[4:15]

**Mr. Williams:** Mr. Minister, if we take this new direction to its ultimate, do you see the possibility of the government disposing of some of its existing Ontario Housing complexes in exchange for these individualized Ontario Housing units? In other words, disposing of some of these OHC islands and replacing them with these individualized placement situations?

**Hon. Mr. Rhodes:** I'm not too sure we would start to dispose of them. I think if you could provide accommodation by other than having to build projects—

**Mr. Williams:** I'm saying that.

**Hon. Mr. Rhodes:** —you would eventually move that way. At this stage I wouldn't want to say we would be prepared to start putting all our units on the market.

**Mr. Williams:** Again you have acknowledged, and I think it is pretty well agreed, that a stigma still exists with regard to those high-profile large complexes of Ontario Housing units. We must realize that in the urgency of the situation in its initial stages, when the housing authority was really getting off the ground, we were expending a great number of capital dollars in acquiring townhouse complexes, apartment complexes and so forth—buying them outright from the private sector and completely moving out the tenants and bringing in OHC tenants. That was fine, but again it is shown that by having these physically segregated units of a high profile, it has left a stigma in the community that continues to perplex the sociologists, if you will, and the society as a whole, because that's where the problem still rests in trying to truly integrate these people in the community.

We're providing their basic housing needs, there is no question about that. But we're still not making them equals in the community because of the sociological barriers that exist. So that's why, when I pose that question of the possibility of eventually disposing of some of these medieval towns, if you will, as I identified earlier, that is possibly not that unrealistic.



**Hon. Mr. Rhodes:** I don't know whether we can do that or not. There are other factors that enter into it. Those units are there now; the complexes are there. In many cases, they are accepted and recognized as being part of the community. But let me tell you, it's not that easy, even with the integration that we talked about. I give you just a quick example of how attitudes have really got to change. In a particular community we had a HOME project—individual units, homes, being built. We sold the units out and people moved in. Across the road, we had another piece of land to develop a HOME project. The people who moved into the HOME units on one side of the road complained about and objected to having HOME units built across the street. They didn't want those kinds of people living in the neighbourhood.

**Mr. Williams:** That's terrible.

**Hon. Mr. Rhodes:** I don't know how you can overcome that, and I won't mention it was my home town.

**Mr. Williams:** I think without exception we can pretty well all cite examples—any of us who have urbanized ridings or partially urbanized ridings where there is Ontario Housing—of where there have been the components set up of, say, more than 15 or 20 or 30 units. The families, the children, emanating from these projects are always labelled as "the OHC kids" or whatever. The integration process stops at a certain point.

When you say, therefore, Mr. Minister, that we wouldn't think of disposing of these units and transferring these people into the individualized units because they are there and they are accepted, I'll accept the first part of your statement that they're there but, sociologically speaking, I don't know that they're accepted even today.

I'm not speaking in a community sense of bigotry, but really that there's still a feeling of difference that exists between the rest of the community and the tenants. If the difficulty is recognized—simply to say, "We've got them, therefore they'll stay"—if we know that these types of components are causing these social problems, then why be so inflexible?

**Hon. Mr. Rhodes:** I hesitate to sell off the stock that we have—

**Mr. Williams:** I'm not suggesting it be done today, tomorrow or next week.

**Hon. Mr. Rhodes:** If you talk, though, even with the federal government as well, I'm not too keen on selling off this stock. What hap-

pens if you sell it off and suddenly the units are not available then for the very people that they were built to serve in the first place?

**Mr. Williams:** It was all on the premise, and I stated that at the outset, that there would be replacement facilities on an individualized basis, as we have been talking about. It's on that premise alone that I make that suggestion. Of course, if it's going to leave people without the accommodation, the people who need it, that's not the basis on which I'm putting the proposition, if you will.

I had to pose the question because I think it's something that in the future might not be too unrealistic if we're really trying to overcome the most intangible and difficult part of this whole concept. It's not the bricks and stones—even though you were criticized for not providing enough of them—it's the intangible, sociological problems if they're not planned properly.

Toward that end, has any formula been developed at this point in time—and if so I'm not aware of it—decided by our professional staff that, based on these past experiences, OHC will no longer build the totally integrated complexes of more than X number of units? Beyond that it becomes too much of an insular social setting situation that has created some of these problems. Has any top limit been developed? I know you can't arbitrarily just put on a figure, but you've got to start somewhere.

**Hon. Mr. Rhodes:** There have been some top limits put on by municipalities themselves. In some places municipalities will not entertain an OHC development beyond a certain number of units, 24, 25 or 30 units. The percentage of the neighbourhood varies from community to community as to what the top limit is. I think it varies, whether it's a family project or a senior citizens project. It's strange how a community will take a senior citizens project with 100 units in it, but they don't want 100 units of family housing.

**Mr. Williams:** That's true, there seems to be a different attitude there. Could you advise me what is the largest single OHC project under way at the moment? How many units?

**Hon. Mr. Rhodes:** Under way at this time?

**Mr. Williams:** Yes. Family units, not senior citizens.

**Hon. Mr. Rhodes:** The largest one is 65 units in Brockville.



**Mr. Williams:** When you first started moving them out into the outer fringes of the cities, where your integration programme really first got off the ground, what was the averaging number of units? Has that ever been compiled?

**Mr. Rose:** Mr. Chairman, I think we've built a range of types of units in the outlying areas varying from 10 to 15, to as high as 200 to 300. It really depends upon what the land was zoned for, what could be put on the land, and, as I think the minister mentioned before, what each municipality would permit. But it ranged in size from very small projects to some substantially large ones.

**Mr. Williams:** I appreciate that and understand that, but what I'm asking is whether, looking at the early stages, averaging those out, you could say that through the period of the late 1960s and early 1970s the averaging component might have been, say, 80 units or 70 units, whereas today, with your new thinking, on the average the projects are maybe representing 50 or 40 units. Is there a down-trend, in other words?

**Mr. Rose:** We didn't work on an average, but there has been a down-trend in the size of the projects by municipality. There has been a trend towards smaller projects and, I think it's been mentioned earlier, in the larger municipalities we've really not been encouraged as a corporation to provide them with large projects.

**Mr. Williams:** Then as I understand it, no top limit has necessarily been set by the ministry on any new projects coming on stream, but rather it has been more or less at the initiative of the local municipalities to keep them as smaller units. Is that a fair observation?

**Hon. Mr. Rhodes:** I think that's a fair observation. The municipalities themselves seem to have taken the initiative in this area. So we can go along with what their desires are as to the size of the complex that they want, keeping in mind that the smaller the project the better it is—and the more costly it is to provide the housing, mind you; it's obvious you can build the larger complexes and the cost per unit would be much lower. But taking into account these other very real problems, the smaller projects are much more desirable.

**Mr. Williams:** Looking at another aspect of the new direction in which the ministry is moving—largely under your leadership, Mr.

Minister—and that is into the area of tenant involvement in Ontario Housing projects. I don't question for a moment that the concept is valid, but I think in considering this it has to be kept in a certain perspective. In reviewing the statement that you issued on the subject, certainly there were varying attitudes expressed after you had issued your statement. Some of the comments that have been made—both by yourself and other members of the committee—have concerned me.

I would suggest, Mr. Minister, that you should be applauded for suggesting that we should be encouraging greater participation by the tenants of Ontario Housing projects. I think you point out on page 10 of your statement that there have been a number of situations where this has occurred and you think that it would be advisable to have tenants involved in the budgetary process with regard to both operating costs and consideration of capital costs.

This undoubtedly will have very positive beneficial side effects, in that people who are being provided with housing with the assistance of government come to have a greater awareness and understanding of what it's costing the taxpayers to provide this essential for them during a period of time in which they are not in a financial position to care for themselves. I think it helps to make them more aware of the extent to which government is assisting them. I guess all too often it is, after a while, taken for granted.

I think this would provide a healthy perspective to the situation that the tenants themselves should be continually mindful of, and by participating certainly this would help to achieve that end purpose.

[4:30]

But there is one concern, Mr. Minister, and I think it is related again to your statement and some of your afterthoughts and comments. I wasn't entirely clear as to the extent and degree of participation that you are advocating, because I do have some concern as to the degree to which you involve participation by the tenants, bearing in mind it is the government's responsibility to provide the expertise and the personnel to manage these facilities as efficiently and economically as possible, while meeting the basic needs of the tenants; it is government's responsibility to hire the people with the professional expertise to do these things.

In reading your statement, I think one might be able to read some ambiguity into it in suggesting that perhaps the tenants



would so involve themselves, and would be given the opportunity to so involve themselves, that they might reach the point where you would find the tail would be wagging the dog and the tenants would be telling management to what extent they would be controlling the day-to-day activities of their facility.

**Hon. Mr. Rhodes:** We are having a discussion that is rather important, John, if you want to go on; I am listening too.

**Mr. Williams:** All right. I will wait.

**Hon. Mr. Rhodes:** I haven't got much longer to wait; that's my problem.

**Mr. Williams:** I have been waiting for three days to get on.

**Hon. Mr. Rhodes:** I have been sitting here longer than that.

**Mr. Williams:** I know you have, and I appreciate your problem.

**Hon. Mr. Rhodes:** If we want to start throwing barbs at each other, I'm—

**Mr. Williams:** I am not throwing it at you, Mr. Minister, I can assure you of that.

**Mr. Chairman:** There is a possibility, if the committee will sit until 5:30 p.m. tonight, that we can finish Housing on Friday, if we can all cut back a bit. Would you be willing to sit until 5:30 p.m., Mr. Minister?

**Hon. Mr. Rhodes:** No, I am not willing to sit until 5:30 p.m. Three hours is sufficient for me.

**Mr. Williams:** That's right.

**Hon. Mr. Rhodes:** I will be here Friday, I will be here next Monday; I will be here as long as you want me.

**Mr. Cassidy:** Can I say a word, Mr. Chairman?

**Mr. Williams:** No, I was speaking.

**Mr. Cassidy:** If that's the case, if the minister doesn't want to be co-operative, we can just stay on this vote for another week or two. I am sure there are other members of my caucus who would like very much to talk about the OHC.

**Hon. Mr. Rhodes:** I will be quite happy to sit here, Mike, as long as you want.

**Mr. Cassidy:** That's fine. I will be back in a week's time and we can take it up from there.

**Hon. Mr. Rhodes:** That's 100 per cent with me. I have a day to put in the same as you do, and if I am here, I'm here. As far as co-operation is concerned, I have attempted to co-operate; but I have got a lot of things on my plate as well, and if I start adding on a half-hour here and an hour there to convenience every individual who comes to the committee, I am in trouble.

**Mr. Cassidy:** Look, Mr. Chairman, I want to say this to the minister: This committee adjourned twice on Wednesdays for the minister's convenience. He had something one day, and another day he had an engagement that he said he couldn't break, and we agreed not to sit on those particular days. I think the minister is being pretty picayune in not trying to co-operate with the rest of the committee to allow us to finish on Friday.

**Hon. Mr. Rhodes:** Mr. Chairman, I won't even bother responding to that rather questionable comment from Mr. Cassidy, but I will tell you that on one particular Wednesday, as the estimates first started, I had no idea I was going to be right off the top and I did have some commitments, so it's correct that I was not here.

**Mr. Cassidy:** Sure.

**Hon. Mr. Rhodes:** But the following Wednesday I attempted to revamp my schedule to be here all morning long to deal with the matters, but Mr. Cassidy was not available, and so the meeting wasn't held.

**Mr. Cassidy:** I am sorry. I was available; it was the Liberals who couldn't be here.

**Hon. Mr. Rhodes:** My apologies; you are right. Mr. Hall was not available, so the meeting wasn't held. I was prepared to be here and adjusted my schedule on that day to get the time in.

**Mr. Cassidy:** All I am suggesting—and we are taking up time right now—is that if the minister would be prepared to be co-operative, and Mr. Hall has indicated he is agreeable, we can all work in order to get these estimates through on Friday. All of us have other commitments; we have been here for a month and that's quite a long time. It is a long time for the staff as well.

**Hon. Mr. Rhodes:** I agree it has been a long time.



**Mr. Chairman:** Could we compromise at 5:15 p.m.?

**Hon. Mr. Rhodes:** Let's get on with it.

**Mr. Villeneuve:** I agree with the minister. After all, he has to meet different groups and he has obligations to look after that a normal ordinary member hasn't got. Perhaps this has bypassed Mr. Cassidy's thinking. He has commitments with the general public and I agree perhaps we brought his estimates on quite suddenly.

**Hon. Mr. Rhodes:** Will you finish up by Friday?

**Mr. Cassidy:** I said I would finish on Friday, and I am prepared to stick to that commitment. I am sure getting no co-operation from you.

**Hon. Mr. Rhodes:** Oh, come on now, Mike. You have a burr in your bonnet.

**Mr. Chairman:** How about a compromise of 5:15 p.m., and then let's get on with it?

**Mr. Cassidy:** I started by suggesting 6 p.m., Mr. Chairman, and 5:30 p.m. would be fine.

**Mr. Chairman:** Carry on.

**Hon. Mr. Rhodes:** I wouldn't want Mike to go to Vancouver feeling bad. We will stay until 5:30 p.m., if it will keep you happy.

**Mr. Williams:** It must be a coincidence, Mr. Chairman, but I think this is the second occasion during these estimates on the Ministry of Housing that I have wanted to make a comment, and each time I have wanted to make comment there has been an interjection suggesting that the meeting is not moving along fast enough and it was time we speeded up our presentations.

I don't mind sitting here like the minister, in hearing all the presentations—that's his obligation. I feel for the minister, because he has to have the patience of Job to go through this, but I resent the fact that every time—and I think it has been a coincidence and nothing more—that I have embarked on or engaged in the discussion, it seems at that point that people start to lose patience. Maybe I talk too slowly; maybe no one is interested in what I have got to say. I don't mind, but I want to say what I have on my mind. So I hope that neither I nor any other member is being singled out.

**Mr. Chairman:** No offence was meant regarding your speaking; speak as long as you

want. But the fact is that we have to get through. We have three more—

**Mr. Williams:** I understand that, Mr. Chairman.

**Mr. Chairman:** We have got enough time so—

**Mr. Williams:** I understand that; so with respect, Mr. Chairman, I use greater discretion in the amount of time I use up in this committee than some other members do. I try to recognize that there should be a reasonable and fair degree of allotment of time for speaking. I recognize that the critics for each of the parties are entitled to have more to say than the others, and that's the way it should be. But I think, too, the other members should be given full opportunity to participate.

So, if I might continue then, Mr. Chairman, if you could—

**Mr. Kerrio:** I have no criticism to offer, Mr. Chairman.

**Mr. Williams:** I was about to comment, Mr. Chairman, and express some concerns with regard to the extent to which there should be participation by tenant associations. In principle, I have no objection whatsoever. I think it is something that's long been overdue. I don't look at the situation in the same context, perhaps, that our socialist friends do, where they see a continual class war going on between landlord and tenant—whether it is Ontario Housing or the private landlord and the tenant.

I think all too often a distortion of the circumstances or facts is brought to us with this continual class war line of argument posed—whether it's with regard to labour unions and management, or with regard to landlords and tenants, or whether it is to do with boards of governors of educational institutions and faculty and staff. Whatever it is, there always seems to be the class struggle going on, and it gets rather tedious.

I am looking at it in that context; I am trying to look at it in a more positive, responsive way, Mr. Minister. It is in this area that I agree there should be greater participation by the tenants, just as it has been recognized in other areas in labour-management relationships.

I noted the other day, for instance, a noted industrialist in Toronto had suggested that within the free enterprise concept there should be greater participation by the employees in ownership and management of industry—put-



ting a new emphasis on a joint effort type of undertaking that would ensure labour harmony and peace.

So, in these other areas, too, I don't look at it as Mr. Cassidy does, for instance, as a confrontation situation. I think that was highlighted again the other day by Mr. Cassidy. I guess he has the feeling of a persecution complex on behalf of the tenants. He said the government is out to divide and rule. That was the phrase he used. Under what circumstances I fail to comprehend. But he seemed to suggest that the government was trying to keep the tenants apart so that they couldn't form their collective associations.

It is this type of implication that I don't think accomplishes anything because it is a negative type of attitude and approach. Rather, I'm looking at it from a genuine, positive participatory situation, whether it is one or two tenants or a whole collective of them under a formalized association. I think this is a worthwhile positive direction in which to move.

That brings me to a situation in which there appears to be some double standards being applied, and I would like your comment. While you did not commit yourself on the matter, you seem sympathetic, as I do, to a certain extent to the participation of tenants. What I think concerned me in the statement that you presented was that on page 17 you recited the similar concerns that had been expressed by your predecessor in the establishment of a committee that would be set up to investigate the matter of financial support for tenant associations. In elaborating upon that situation, you have indicated the extent to which our government had become somewhat significantly involved financially with tenants' groups and organizations.

You point out that in the past year close to \$100,000 was approved for providing funds to a committee entitled, the Ontario Housing Tenants' Association. I suppose this can be considered somewhat of a motherhood issue where you suggest that anything in the way of financial restraint or control is taking a negative attitude toward Ontario Housing tenants. It is certainly not with that point of view in mind that I look with a critical eye at the extent to which we have been and the extent to which we appear to be moving towards providing public tax dollars to the provision of organization of tenant associations.

I have to be quite frank with you, Mr. Chairman, that I cannot in principle see the legitimacy of providing tax dollars for the

purposes of organizing tenant associations. This is where I think the double standard has come in because both the minister and the opposition critics keep stressing the fact that other than for immediate financial straits, there is no basic difference between Ontario Housing tenants and tenants who live across the street in a private apartment building.

The other day, when Mr. Cassidy was talking about his criticism of no security guards in an Ontario Housing building and said funds must be provided right away to make sure there is greater safety in Ontario Housing units, you quite rightly said: "How do you justify that to the tenants across the street in the identical building with the identical facilities? Who is providing security guards for those people and why is it that they should be paying tax dollars to have the building across the street policed because it is a publicly owned facility?" The logic escapes me as it escaped you, Mr. Minister, and I don't think that there really was and there isn't a valid answer to that observation.

[4:45]

In the same way, how can you justify to the public at large the fact that we're going to be spending their tax dollars to organize tenant associations, when throughout this dialogue the critics and yourself have been suggesting that there is no basic difference between these people? They may be in financial straits at the moment and they need government assistance but they all have initiative.

They really do have initiative. They have enough moxie and knowhow to sit on these boards and to help manage them and operate them, yet they don't seem to have enough initiative to go out and raise some dollars to put together a tenant association like people do in other areas outside of the Ontario Housing units.

I've sat in on many executive meetings with tenant or ratepayer associations where they have had a great deal of difficulty in going out and raising \$1,000 out of a community of perhaps 3,000 or 4,000 people, and yet they don't turn to government for funding—although they did at the height of the LIP programme. It became the in thing for all types of organizations, ratepayer groups included, to go out and ask the federal government for money so they could better organize themselves and set themselves up and have the taxpayers pay for it. In principle I just can't accept that philosophy, Mr. Minister.



As you suggest in your statement, additional dollars have been provided in more tangible ways, such as providing additional physical facilities for these units where they have been requested by tenants, or by the provision of other amenities. They have been furnished where the request is deemed to be realistic and appropriate. But to suggest that we start having the taxpayers of Ontario each put forward \$20 for each Ontario Housing unit in the province so that the people can go out and set up elaborate tenant associations at government expense, I truly find this difficult to accept.

Again, you are discriminating against the private sector, if you will—the tenants of the privately owned facilities who aren't being fed government money to go out and organize tenant associations—although perhaps one of the opposition parties is helping to do that. But again, an inconsistency has developed here and this comes back, I think—going full circle, Mr. Minister—to the difficulty and concern that I raised at the very beginning about the social implications.

I found it difficult on many occasions to go into ratepayers association meetings. While in talking with the people about the new or recent Ontario Housing project that's come into the community there's been no criticism by the citizens at large about the new families and people within the community, it's very difficult to answer the questions of, "How is it that the government has gone out with our tax dollars and purchased a facility that has all of the amenities that we don't have? We live in an apartment building, privately owned, but we don't have a swimming pool, we don't have a sauna, we don't have tennis courts. Yet the government's gone out and bought an OHC complex with all of these facilities."

Here is the inequity that I guess helps to create that social barrier, if you will. The irony of the situation is that now, today, along with what Mrs. Campbell was mentioning, the working poor are probably the heroes of the piece because they are put in the bind between the social assistance programmes that provide them with more money than they can earn in the marketplace and provide the disincentives that keeps them in that situation, rather than going out to work. They have that problem. Then, with government providing more services and amenities than those working people who are trying to make it on their own can find within their own community, it makes it very difficult to explain to the taxpayers whether their tax dollars are being directed

fairly and in an equitable way to provide the basic and essential housing for those who truly need it. This is, I think, just an extension of that concern and problem in now suggesting, as this report does, that the government fund the organization of tenant associations.

Again, it does two things: It creates the inequity which I mentioned. If we're going to do it for tenant associations, let's do it for ratepayer associations that are not involved with the government housing programme. It discredits the observation that's been made that even though these people live in Ontario Housing they have the same initiative and capabilities of people living elsewhere. Yet they don't appear to be able to go out and organize their own tenant association as other groups can in the private sector. These are the inconsistencies that concern me and which I think warrant legitimate criticism.

**Hon. Mr. Rhodes:** Perhaps you'll allow me to make some comment before you go on.

**Mr. Williams:** Yes, all right.

**Hon. Mr. Rhodes:** I don't want to lose some of the points you've been making.

I think, first of all, you'll note in the statement that I indicate there would be seed money, primarily to start with and then on a matching dollar basis from then on—in the first year there would be the matching dollar that I referred to where we would have the maximum contribution of \$20 per unit that you referred to from all levels of government. As I have said in this statement and as I indicated at the time, there are guidelines open for discussion or debate. You can see it as one side of the argument; I'm sure Mr. Cassidy, perhaps, sees it from the other side. The whole purpose of putting this statement in was to generate just the sort of dialogue we're having.

But I must say about my own feeling on this, and this is perhaps a personal feeling, that earlier in this discussion this afternoon a question was asked, or a point of discussion was raised about the people who are living in our Ontario Housing projects. It was pointed out that there were percentages of people living there who are welfare recipients, and percentages who are mother-led families. Mr. Cassidy asked at that time what percentage of families occupying OHC family units are mother-led. Just for your information I have the figures here: 26 per cent of tenants are recipients of mothers' allowance or family benefits, and 18 per cent are single parents paying rent-geared-to-income. So 44



per cent of all OHC family units are occupied by single-parent families, the vast majority of which are female-led.

If you look at a project where we would be putting some money into this tenant association, it seems to me that the very social problems that you talked about in your earlier remarks that we are facing in these units—many of the social problems—are compounded by the fact that we do have so many people who are single-parent families. They have children to care for, and also to try to make a living if they're working as the working poor. They are trying to go out to work, and many of the amenities that other people can provide for themselves through their own financial capability, these people are never going to be able to do.

If we want to overcome some of the social problems and the finger-pointing that goes on, perhaps we should be putting some funding into associations in these developments so that they can be a little more self-sufficient unto themselves. If they can organize, it's not necessarily an organization to fight the landlord. On the contrary, I wouldn't want to fund that sort of thing either. But I do think these people can become involved in recreational activities. I think we can show you, in areas where the projects have been under way, where tenant involvement as an association in the management of the project or partial management of the project actually does save money. It actually saves the corporation money because they become very much involved in what's going on in their project, and they take a greater interest in what's happening in the project and a greater interest in their own particular unit themselves because they're a part of the whole thing.

I know some of the mentality of people who suddenly find themselves in a position where they are in subsidized housing. Many of them don't want to be there at all and they feel demeaned because they are there. But if we can give them a sense of belonging to that project, and something to do to keep it up, then I think we've accomplished something. Socially, I think we are assisting them; and I think we are assisting ourselves by having them taking part in caring for that particular project. I see nothing wrong with that; I think that is money well spent.

If you take a look at all the people living in various types of housing, then all of us to some degree pick up something from the taxpayer in the services that are provided to us within our own communities. I don't want to appear to be attempting, as I say, to fund

a tenant association. Many of the tenant associations in the private sector—I live in an apartment building now, and I get their little notices—are very narrow in what they're dealing with. They are dealing with their approach to their landlord; very little has to do with anything else in that building. The association's approach is tenants to the landlord.

**Mr. Hall:** Do you sign the petitions?

**Hon. Mr. Rhodes:** No, I don't sign any petitions.

**Mr. Williams:** I'm not disagreeing with your observations; I recognize them and agreed with the positive aspects of their participation at the very outset, and I stressed that. I stressed the fact that I think there are very positive aspects to this tenant association situation. But I am not convinced that the provision of funding, whether it be on a participatory basis between the levels of government in the matching dollar situation or otherwise, is going to further improve that situation.

While I wasn't going to mention the degree of financial involvement, because that perhaps is going beyond the principle here, I would point out that I think \$20 a unit is very generous. Looking back again at page 139, I'm not sure, but I presume that the 80,000 units that you are talking about are individual units; as such, if you apply \$20 to each one of those units, we're getting into a million and a half dollars.

**Hon. Mr. Rhodes:** I think you have to break that down a bit. Remember some of the 80,000 units are senior citizen units.

**Mr. Williams:** I don't think you made the distinction, did you, Mr. Minister? I think you just—

**Hon. Mr. Rhodes:** I think the distinction is almost automatically there.

**Mr. Williams:** Well, it isn't made in your statement.

**Hon. Mr. Rhodes:** I am not going to sit and argue with you—

**Mr. Williams:** No, I am just taking the gross figure. If it is basically wrong, tell me.

**Hon. Mr. Rhodes:** I know. You want to take the gross figure, but I tried to explain—

**Mr. Williams:** Take the net figure; take the family and rent supplements.

**Hon. Mr. Rhodes:** Fine. Go ahead, John. I don't want to argue with you.



**Mr. Cassidy:** Are you fellows from the same party?

**Hon. Mr. Rhodes:** Yes, I think we are. The only problem I'm having is totally understanding how you can take the gross figure and apply it when you know there is a distinct difference between those which are the family units, the rent supplement units and the senior citizen units.

**Mr. Williams:** Let's take the figure for family units only and round it out to 50,000. You have 48,867 projections; all right? At \$20 a unit, that works out to a very substantial tax dollar, in my judgement.

**Hon. Mr. Rhodes:** I don't know whether you read all the statement but, as I pointed out, after the first year of operation, a matching-dollar formula is proposed and the total figure involved would be \$20 a unit from all government sources; in subsequent years a diminishing formula would be applied to maintain tenant incentive.

**Mr. Williams:** I think you'll agree, Mr. Minister, that it is like a union negotiating its contract; once they get the first fringe benefit, that's the foot in the door or the tip of the iceberg. While it may be legitimate at the beginning—now, I guess, we are going on strike up in North York, because they want three weeks' holidays after three years—you get the initial graduating scale and then you accelerate the situation.

**Mr. Minister,** it is 5 o'clock, and I just wanted to write these concerns of mine through you, Mr. Chairman, to the committee. I think there is some validity to them. I have tried to approach it from a positive point of view, because I do support the principle of greater tenant participation, but I see some pitfalls there.

[5:00]

I am also continuing to be concerned about the nature of the physical components of Ontario Housing because of the somewhat recognized failure of us to solve the more sociological problems associated with those larger components. I leave these observations with you because I think you will be delving further into this funding situation. As you have indicated, you wanted to hear from the members of the committee and I've given you my observations on it. I am concerned.

**Hon. Mr. Rhodes:** This is not hard and fast. It is a discussion point. As I say, I heard Mr. Cassidy discuss his few things on it and I've heard yours. I knew there would be varying opinions but I'd like to hear them all.

I still maintain from a personal point of view that this sort of thing, regardless of what the formula turns out to be, has to have some advantage to overcome the very social problems that you and I were talking about earlier.

**Mr. Williams:** If I might, Mr. Chairman, I'd move adjournment at this time.

**Hon. Mr. Rhodes:** Mr. Chairman, I'm prepared to sit till 5:30.

**Mr. Williams:** Were you not staying until 5?

**Hon. Mr. Rhodes:** We're staying until 5:30.

**Mr. Williams:** I'm sorry, I thought you had to go.

**Mr. Cassidy:** I guess I should just say that I'm glad that Mr. Williams has put those remarks on the record because that's sort of the dark side of the Conservative Party. I'm sure that what he has said probably reflects what the majority of the delegates to the recent Conservative convention feel about public housing as well.

The minister stands apart to some extent, but his party does not stand apart from those kinds of comments, and that's one of the reasons why we have problems with Ontario Housing. It's because of the attitudes of the government that previous ministers have brought to OHC and which are reflected by the member for Oriole.

**Hon. Mr. Rhodes:** I'm in a terrible spot. I've got you supporting me.

**Mr. Cassidy:** You're in trouble. Since Mr. Williams was raising the question of legitimacy of providing funds for tenant organizations, he underlines the point, which has to be made, that OHC should be as much as possible like housing outside, and yet the statistics you've given and so on indicate that it is different. People in OHC have very low incomes. Their average income is around \$6,000 a year. That's the average income of people applying. Your figures indicate the average family income at the one-third level—that you have to go up to \$14,000 a year before you get a third of the family incomes in the province.

I have an interesting letter I'd like to put on the record here about how you deal differently with the housing authorities and with the tenants. This is a letter from James Hambly, the executive director of the Association of Ontario Housing Authorities, which says:



The base formula of our funding is predicated on 43,905 units under management as of Dec. 31, 1976, at \$2 per unit. [That's the funding for the association for this current year.] The funding dollars are expended on audit fees, executive honoraria and expense, office expense, salaries and fringe benefits, zone meetings, some of which were discounted by 10 per cent restraint in the final approval of CMHC. Your assumption is correct in that the members of the association are the persons appointed by order in council comprising the authority boards per se. At the present time the membership stands at 200.

It's interesting that there's no question of matching funding or diminishing funding or that with this association. They get \$2 per unit for every unit under management of the housing authorities and they have a nominal membership or an official membership of either 41 housing authorities or 200 people. That compares with the tenant organizations which have had nothing until this past year and are now beginning to get funding, but the funding is at a level which is considerably less than \$2 per unit and is for a group with 80,000 members, if you want to apply it in the same way.

**Hon. Mr. Rhodes:** You recognize that the members of the authorities and these 200 who make up this particular group are all unpaid people who devote a great deal of their time and efforts towards operating housing authorities across the province.

**Mr. Cassidy:** If you are saying they should have honoraria, I'd be certainly willing to hear your opinions.

**Hon. Mr. Rhodes:** I'm not saying they should or shouldn't. I'm saying they don't.

**Mr. Cassidy:** But the \$400 per member that is paid into this particular association may well not benefit them in any way. That's how much you are spending; \$400 for each of those 200 people is going to this particular association.

**Hon. Mr. Rhodes:** As we said the last time we talked about this, what is being funded here is the association, not necessarily the individual members. It's the association and the things that they are doing.

**Mr. Cassidy:** In your statement you say that a diminishing formula from the \$200 a unit would be applied "to maintain tenant incentive and initiative in fund-raising endeavours." Now, you didn't reply earlier on this afternoon. What do you mean by tenant initiative

in fund-raising endeavours? What do you expect the tenants to get the funds for their own organizations?

**Hon. Mr. Rhodes:** I suppose you could say what ever sort of fund-raising endeavours they themselves wish to do within their own neighbourhood. You know, if they are going to have an association there can be dues. They don't have to be high. They can be nominal. I know I keep getting a card asking me to pay the dues for the building I am in, to belong to the association. I don't belong; if I did, I would have to pay the dues. I am assuming that there can be social activities within that particular area that could realize some funding, not unlike what—

**Mr. Cassidy:** If the majority of tenants in a project agree to it, are you prepared to allow them to add a certain amount of their rent, in order for it to be paid into that tenant organization? Because it seems to me, and the tenants have certainly said it, that is the route that they want to take for funding. If you are prepared to match funding that they raise in that way, then it seems to me that something constructive can be done.

**Hon. Mr. Rhodes:** I think I would have to give that some thought, Mike. It would be sort of a check-off sort of thing and I'm not—

**Mr. Cassidy:** You are talking about people with an average income of \$6,000 a year. You know what the price of milk is these days and the price of the other necessities that people have to survive on, and even with the advantage that they may have from paying a lower rent than they would pay outside, in most cases these families do not have an adequate income in order to meet the basic necessities. There isn't a lot of dough to sort of pay for a cash bar at a dance which can raise funds—the kinds of things that PC or NDP riding associations can do.

**Hon. Mr. Rhodes:** I am not too sure that the funding is really the key part of this whole thing. You place a great emphasis on the dollars. I don't. I've seen associations that can function very effectively with a minimal amount of money.

If it's a question of operating within a complex an association that is going to deal with some of the problems that I talked about earlier—if they are trying to organize recreational activities, then I would say yes, there is some funding required. You have to buy equipment, this sort of thing. But I am not too sure that you need this ongoing large fund to do—what?

I don't want to set up a war chest sort of thing for the tenants to get an adversary situa-



tion going between the OHC landlord and the tenants' association. I don't think that's healthy, and I think you would agree. I would much rather see the thing operating on a very co-operative basis between OHC and the tenants' association and I don't know whether the dollars are really that important.

**Mr. Cassidy:** I happen to agree with you and it seems to me there will be occasional confrontations.

**Hon. Mr. Rhodes:** Oh sure, even you and I have those.

**Mr. Cassidy:** But 90 per cent of the things the tenants' associations are doing should be directed to their own purposes or directed to co-operating with either the OHC or the other local housing authorities.

**Hon. Mr. Rhodes:** The deputy just mentioned to me that one of the associations somewhere had set up a co-op store—in Ottawa. So that's not a bad thing—

**Mr. Cassidy:** The zoning was a problem there.

**Hon. Mr. Rhodes:** That was a problem created by the then members of that city council. You remember that, Mike. You guys fouled it all up!

**Mr. Cassidy:** If, for example, tenants are to get together, telephone calls cost money and they don't have a government network. Plane fares cost money and this kind of thing all needs funding. There is the need to have a certain number of people who were working full time promoting tenants' concerns, researching and going around helping the tenants to learn how to do the things they have to do—that costs money as well.

**Hon. Mr. Rhodes:** Mike, you know and I know that the resourcefulness of the people who live in those complexes is pretty substantial. They are a pretty competent group of people when they decide to go out and do something for themselves.

Just as an example, when you and I had some discussion over the DACHI situation, those people over there decided they wanted to find out what the support was in the community. They got up and they went out into that community and they indicated what their support was. They went door to door and talked to people and they did a pretty fair job on that.

I am saying to you that people in these OHC complexes, with some seed money—they have to have some seed money, but they can get out and become a more integral part of

the community. If they do have activities in that complex why not bring people beyond the project in there to know what is going on? In fact, the deputy whispered in my ear a while ago what we should do is grab a bus and take a tour of all the projects around this area so that people could see what's going on in some of them. I'll bet you a lot of people here have never been in some of the major projects in Toronto, the larger ones.

**Mr. Cassidy:** I'm sorry, Mr. Minister, I will conclude the representation now, but we'll obviously resume it at a later time. It is being suggested by the tenant organizations that if—you're obviously upset—

**Hon. Mr. Rhodes:** No, listen, you couldn't upset me right now.

**Mr. Cassidy:** There could be some kind of a check-off system. The tenants in a particular project could, in fact, agree to a levy for themselves, which they would pay as part of the rent. They would be willing to look at that kind of thing. It seems to me that that would make sense if you want to insist that the tenants commit money to their own tenant association. But the raising of funds by going around on a Friday night, or by having dances and that sort of thing is, with groups as economically deprived as tenants are, very, very difficult. If you look around, you ask the federation—

**Hon. Mr. Rhodes:** What we have to do is this. These guidelines—as I like to refer to them—we are discussing these with them, and we want to talk to them about that. We'll talk about that check-off that you pointed out.

**Mr. Cassidy:** All right. The thing is, too, you said yourself—and I thought what you had said was pretty commendable. You said that tenant associations were working in recreation and giving people a sense of participation and involvement. It was acknowledging the fact that many OHC tenants are there for a long time and not just for a year or two. This participation can be positive, not just in a social sense, but also in terms of the cost of managing OHC properties, so that the cash benefit to the taxpayers out of the amounts of money involved per unit—

**Mr. Williams:** Is that going to be volunteer or closed shop?

**Mr. Cassidy:** I'm sure that can be discussed with the tenants' association. In other words, if they vote then everybody's in, unless you



sign a form and say: "I want out." That kind of thing is certainly a possibility.

**Hon. Mr. Rhodes:** We'll talk about it.

**Mr. Cassidy:** Okay, that's fine. Mr. Minister, I'd like a figure here. You have a revised figure on the total of the waiting list of family housing. You indicated that the family housing applications had risen across the province, including Metro, from 16,900 in December, 1974, to 19,306 in March, 1976. Have you got a figure for the senior citizens waiting in Metro?

**Hon. Mr. Rhodes:** In Metro, 2,132.

**Mr. Cassidy:** Then across the rest of the province, 17,168.

**Hon. Mr. Rhodes:** Yes, 17,168.

**Mr. Cassidy:** For a total of 19,300. That means that, overall, the housing waiting list has not changed appreciably from the 38,762 in December, 1974. I just want to put that on the record, because in your statement the last day you seemed to indicate that the waiting lists were coming down.

**Hon. Mr. Rhodes:** I'm sorry, I missed what you said.

**Mr. Cassidy:** In your statement the last day, by not including the Metro figures, you seemed to indicate that the lists were coming down. In fact, the lists are staying at the present level, at the level of December, 1974. They're not changing. You're still not meeting requirements.

**Hon. Mr. Rhodes:** No change since December, 1974.

**Mr. Cassidy:** Yes. Okay. Mr. Minister, I made representations about the preference for neighbourhoods. I just want to reiterate that the point system is not so accurate that you can say that the one person who has 44 points is, therefore, assuredly in more need than a person who has 43 points on the housing list. That is why I'm suggesting a neighbourhood preference should be inserted. The degree of neighbourhood preference, and the number of points you give shouldn't be more than what you might call the margin for error in the point system, which might be around 10 per cent. I would ask you to reconsider that and not to simply let it go by. I'll go back to the city of Ottawa and talk with them to see whether they will support the idea of a neighbourhood preference.

If a municipality comes to you and says: "We would like a system where people who have a strong attachment to that particular

neighbourhood can get a certain preference in getting in," would you consider revising the point system for that particular municipality?

**Hon. Mr. Rhodes:** You can certainly find out what they might want to do in Ottawa, but what I would rather do—if you want to look at that possibility—is to get all the municipalities involved and maybe make something available to the PMLC to make some comment on.

**Mr. Cassidy:** So Ottawa might, in fact, take the initiative and put it before the PMLC with your corporation. Okay, because I think we would like to pursue that some more, and I think it can be looked at fairly positively. I had not understood that the Metro senior citizen housing in fact was now under a complete cost-sharing arrangement comparable to the rest of the province.

[5:15]

**Hon. Mr. Rhodes:** I'm amazed that you didn't read my statement.

**Mr. Cassidy:** I met with Paul Godfrey after April 30 and he said, "Would you please try to do something?" I'm here as a messenger boy for Paul Godfrey, if you can believe it.

**Hon. Mr. Rhodes:** Is that right? And you're trying to get me tickets to the baseball game. You son of a gun!

**Mr. Cassidy:** As far as limited-dividend housing is concerned, does the province have a policy of wanting to take municipally owned limited-dividend housing in Windsor, Ottawa and Toronto into the rent-geared-to-income system if CMHC would agree?

**Hon. Mr. Rhodes:** We haven't really given that any consideration.

**Mr. Cassidy:** I would like to suggest it to you. Certainly in Ottawa, where we have CMHC projects, municipal limited-dividend projects, private non-profit, limited-dividend projects and rent-geared-to-income projects, there is tremendous confusion; in addition, there is a certain amount of unfairness. In my riding, I've knocked on doors of municipal limited-dividend projects, with rents of \$70 or \$80 a month, to find people who literally came up from Montreal and waltzed into one of these units within a month or two of arriving in Ottawa. Obviously that's a problem of municipal administration, but that doesn't seem fair when there are senior citizens clamouring to get into rent-geared-to-income projects in the same area and who would be paying the same amount in rent in



OHC projects. That's another representation, I guess.

The next thing that I want to talk about is the question of—I guess I've pretty well covered the question of the Association of Ontario Housing Authorities. They told me, incidentally, that they have not published an annual report because they are short of funds, despite the \$84,000 that the—

Hon. Mr. Rhodes: That wasn't in their letter.

Mr. Cassidy: That was what they told us verbally. Are you prepared, since you have a number of vacancies coming in the OHC board, to put a couple or three tenants on to the board of the Ontario Housing Corp.?

Hon. Mr. Rhodes: On the board?

Mr. Cassidy: Yes.

Hon. Mr. Rhodes: I'll give it some consideration.

Mr. Cassidy: You'll give it some consideration.

Hon. Mr. Rhodes: I think there are some tenants on there.

Mr. Cassidy: OHC tenants?

Hon. Mr. Rhodes: Oh no. But I don't want to distinguish now—a tenant is a tenant.

Mr. Cassidy: One of the problems Mr. Williams has is that he has never been in an OHC project and has never lived in one. Neither have I for that matter. But it seems to me it would make an awful lot of sense to have somebody who knows the situation, from having been there or from being there. It would help to give credibility to a board whose credibility at times has been rather tattered.

Mr. Hall: He'd have to leave as soon as he got the per diem, because it would boost him out.

Hon. Mr. Rhodes: I don't know, but it would sure raise his rent.

Mr. Cassidy: That's a representation as well, Mr. Minister.

Hon. Mr. Rhodes: You might as well know, I'm not overly enthusiastic about that.

Mr. Cassidy: I realize you're not, and that's one of the problems of you and your party.

Hon. Mr. Rhodes: Oh, come on now.

Mr. Cassidy: What about the suggestion, which you didn't respond to in your statement, that you look at the number of people on housing authority boards across the province and that, in fact, you consider increasing those boards by maybe a couple of members apiece in order to include tenants on every housing authority board, rather than waiting until vacancies take place and waiting for the rather tortuous negotiations that might be needed with the federal and local governments?

Hon. Mr. Rhodes: We are enlarging the whole series of new structured boards coming up, and possibly there is going to be much larger membership.

Mr. Cassidy: Okay.

Hon. Mr. Rhodes: Along with what you were talking about some time back in these estimates—we've been here so long I forget how long ago—but you were talking about having a larger area encompassed by the authority. That's what we are doing now. Since that means a larger area, we will be creating more positions.

Mr. Cassidy: But ministers move in mysterious ways, and so does the OHC. I would very much hope to see a lot of progress on this. I would like to see a statement by the ministry in a couple of months—and you don't have to give us credit, because I know you won't—just saying that you had decided, after careful reflection, that within a year you intended to have a couple of housing authority tenants on each housing authority board across the province. If you don't make all 41 by June of next year, we'll understand, but major progress in that direction would be very commendable.

The next question is the question of the rent scale. You've said that you are open. I hope that means you will move faster than OHC has moved in the past. Does that mean as well that OHC intends to bring forward a new set of proposals to discuss with the tenants or are you wedded to the proposal that OHC has made that the rent must be 25 per cent of gross income or what?

Hon. Mr. Rhodes: No, we're going to bring forth some new proposals.

Mr. Cassidy: By when do you hope to do that?

Hon. Mr. Rhodes: It's not going to take very long.

Mr. Cassidy: You asked what are our proposals.



**Hon. Mr. Rhodes:** I could do it a lot quicker if I wasn't spending so much time in here.

**Mr. Cassidy:** That's true.

**Mr. Warner:** Don't blame him.

**Mr. Cassidy:** In terms of where it should be, we're sympathetic with the proposals put forward by the Federation of Tenants' Associations.

**Hon. Mr. Rhodes:** You're not only sympathetic, your leader said he fully supports it.

**Mr. Cassidy:** He didn't say that, did he? We welcome the initiative they have taken in putting forward those proposals as a basis for discussion.

I don't know where it will come out in terms of how you negotiate, but it seems to me to go back to 1969 and 1970 is the very least you should consider doing—that is, restoring the kind of wage in relation to incomes that prevailed at that time. There are some pretty useful things that have been proposed by the tenants' associations and I hope you negotiate with them sympathetically and positively.

**Hon. Mr. Rhodes:** Just to put the record straight, in the letter, dated April 8, 1976, sent to a Mr. Vic Williams, Kenora, Ont., signed by Stephen Lewis—

**Mr. Wildman:** In a brown envelope.

**Hon. Mr. Rhodes:** —it said, "Our caucus has discussed this matter at some length and we have decided that we will continue to support rent review for OHC housing until such time as the government accepts the FOTA-proposed revised rent scale."

He didn't send you a copy?

**Mr. Cassidy:** No, he didn't. I think at the time we were discussing it in the caucus and what we said in the Legislature in fact was that we wanted to see a new rent scale, based on negotiations commencing with the FOTA rent scale.

**Hon. Mr. Rhodes:** That isn't what I've got in my brown envelope.

**Mr. Cassidy:** Okay, that's fair enough. I am glad you're getting a few these days as well.

The next thing I want to raise is the question of the administrative overheads from the Ontario Housing Corp. I believe when you talked about this last day you promised more

than you have actually delivered. You stated there would be information which would be accessible to the tenants which in effect would represent an opening-up of the general OHC books comparable to what we have in these statements on each particular project. Did I hear you correctly at that time, that the central OHC administrative project would be available on the same basis that the individual project budgets are being made available?

**Mr. Riggs:** To clarify this, my understanding from reading Hansard was that the request was to outline the distribution of main office overhead, the main office being the people at 101 Bloor as distributed to housing authorities and direct management. On this sheet here it totals \$4,208,00. It indicates the percentage breakdown of each of the dollars which is then distributed in the books that you were given of our project budgets for 1976.

If I have misunderstood, Mr. Chairman, if I can get it clearer, I would like to know what the member wishes.

**Mr. Cassidy:** We've come up with a total of \$14 million. It's very difficult though for the tenants or for anybody else—critics, writers in the Globe and Mail, Max Henderson people and that sort of thing—to know how that money is actually spent. We have global figures of \$4.2 million in administration fees, \$6 million or so in direct overhead and then we have an attribution of how much for actual services, how much for the core protective services and so on are attributable to the management of the individual OHC project.

Can you go further than that or will you go further than that?

**Hon. Mr. Rhodes:** How far do you want me to go? What are you looking for?

**Mr. Cassidy:** If I had it in front of me, I could point to it and say, "That's what I want."

**Hon. Mr. Rhodes:** If you could point to it and tell me that's what you want, I'd get it for you.

**Mr. Cassidy:** We want the administrative budget of OHC itemized on a much more detailed basis and available either in the estimates or in this material here.

**Mr. Riggs:** If you take the estimates book you have before you, that totals the complete administrative budget for the administrative wing, which is most of our administra-



tive budget, and breaks down in there what is paid for salaries, what's paid for rent and what's paid for the FIS. That's the first amount which is open to the public, because you have copies and it's published in our estimates.

The second part of it is what you have before you, and that relates to the books you were given, which indicates the amount of overhead for housing authorities, the amount of overhead for OHC direct, and the amount of overhead for the administration fee, which is all part of the administration cost. They're all cumulated on this sheet here. If any tenant association wishes, it can analyse this in any number of ways, to know exactly the dollars and cents that are being spent on administration in the OHC, their respective housing authority, respective area and so on.

If you would give me better guidance, Mr. Boates, who is our director of finance, can break these figures down any number of ways you would wish. I just need guidance.

**Mr. Cassidy:** I think what I'd like to suggest is that if the tenants in particular want to pursue this, Mr. Minister, would you be willing to give your blessing to their getting together with, say, Mr. Rose and Mr. Riggs and one or two other people in order to talk about further information?

**Mr. Riggs:** Or for that fact, Mr. Minister, with the housing authority if they wish to go further into that particular aspect once they've finished discussing it with our senior staff.

**Mr. Cassidy:** I am just aware of a shortage of time to sort of explain it. I wouldn't need to look into it myself in order to know.

**Hon. Mr. Rhodes:** Just because the estimates aren't on, doesn't mean you can't still communicate with us, Mike.

**Mr. Cassidy:** Sure.

Mr. Riggs might be able to say whether OHC has done any research to find out how your administrative costs of around \$185 per annum per unit, according to this statement, compare with the administrative costs on rental projects in the private sector.

**Mr. Riggs:** Comparing it with the private sector, and I'm talking about the six per cent figure that is thrown out in terms of our operating costs—which includes no profit, as you realize—the private sector runs somewhere between five per cent and seven per cent, as low as four per cent in some cases. In the United States, it's above seven per cent for comparable public housing.

**Mr. Cassidy:** For public housing.

**Mr. Riggs:** That's the best criterion I can give you. We're constantly looking at our costs to see whether or not, with the approach we're taking with tenant associations, we can reduce that lower. We're not quite sure how low will be low in the future, but we recognize that this may be high, low or in the middle. At the moment we're grappling with it.

**Mr. Cassidy:** Perhaps I could ask the minister—

**Mr. Chairman:** Mike, it's 5:30 now. I think we've gone the limit for tonight.

**Mr. Cassidy:** Okay, Mr. Chairman. I'll consult with Mr. Hall. As far as we're concerned, if we just don't get to the rest of the votes in Housing by 1 p.m. on Friday, we're prepared to vote them through without discussions. I'll talk with Mr. Hall in order to find out whether he has specific things that must be raised on the votes beyond the OHC vote.

**Mr. Hall:** Given positive words from the other parties in the future, we would be prepared to close by 1 o'clock Friday.

**Mr. Cassidy:** That may be dependent on interventions by the member for Oriole.

**Mr. Hall:** I said the other parties; I didn't just mention you.

**Mr. Chairman:** We have speakers lined up: Messrs. Kerrio, Warner and Wildman.

**Hon. Mr. Rhodes:** You want three hours. No problem.

**Mr. Cassidy:** I believe I still have the floor. Is that right, Mr. Chairman?

**Mr. Chairman:** Yes.

**Hon. Mr. Rhodes:** Are we going to quit now?

**Mr. Cassidy:** If you want to go on till 6, that's fine.

**Mr. Roy:** Can I ask you one quick question while I've got everybody here? Just one. When's the shovel going to start on that Green Valley project in Ottawa—you know, the one that's been delayed and all this?

**Mr. Rose:** The one in Vanier?

**Mr. Roy:** Vanier, yes.

**Mr. Riggs:** We hope to call it in three or four weeks.



**Mr. Roy:** To call the tenders? If the zoning is clear, when can we expect the shovel to start?

**Mr. Riggs:** We're talking of a fall start, Mr. Roy.

**Mr. Roy:** I hope so.

**Mr. Riggs:** It's a big project, and that means we're going to have make sure those plans

and specifications are dead on. The zoning has finally gone through. That was the biggest hurdle. I hope the builders in Ottawa are hungry.

**Mr. Roy:** They should be, they're not building anything else.

**Mr. Riggs:** Good. We'll need it.

The committee adjourned at 5:33 p.m.

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### Ministry of Housing officials taking part

Crosbie, D. A., Deputy Minister  
 Riggs, R. W., Assistant Deputy Minister, Housing Development; Vice-Chairman, Ontario Housing Corp.  
 Rose, J. B. S., General Manager, Ontario Housing Corp







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# Legislature of Ontario Debates

SUPPLY COMMITTEE—1

ESTIMATES, OFFICE OF THE  
PROVINCIAL AUDITOR

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Thursday, May 27, 1976

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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# LEGISLATURE OF ONTARIO

## SUPPLY COMMITTEE

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THURSDAY, MAY 27, 1976

The committee met at 3:17 p.m. in committee room No. 1.

### ESTIMATES, OFFICE OF THE PROVINCIAL AUDITOR

**Mr. Chairman:** I will call the committee to order. It is now the duty of this committee to study the estimates of the Office of the Provincial Auditor. I am pleased to have Mr. Scott and his staff here. I wonder, Mr. Scott, if you would like to make any opening remarks and introduce the other members of your staff who are with you.

**Mr. Scott:** Thank you, Mr. Chairman. The first thing I would like to do is introduce the members of my staff who are with me today. On my immediate left is Mr. Howard McLaughlin, the Assistant Provincial Auditor. Next to Mr. McLaughlin is Mr. Gillis, our administrative officer, who looks after the day-to-day administration of our office but has no duties related to the actual auditing that is carried on by our office.

Mr. Chairman, with your permission, as there are members of the committee present today who have not had the privilege of being here when I presented my estimates in previous years, or are a part of the committee on public accounts, I would like, briefly, to read to the committee some of the duties and responsibilities, as well as our office organization and staffing, so that members will be better informed as to the requirements of our office for 1976-1977.

The audit responsibilities of the Provincial Auditor are twofold and involve the examination of, one, the accounts of the province in accordance with his appointment as Auditor under the Audit Act; two, the accounts of boards, commissions and other Crown agencies in accordance with his appointment as Auditor under various related statutes or other appropriate authority.

Under related authority we have 45 Crown agencies; we are appointed by shareholders for seven audits; under the Audit Act we

handle three; and two are audited by private firms under our direction or review. This gives a total of 57 Crown agencies currently under our review.

The examination of the accounts of the province involves the examination of the financial records and activities of the various ministries. This examination is made in accordance with section 19 of the Audit Act which requires the Provincial Auditor, on behalf of the legislative assembly, to examine as he deems necessary all receipts and disbursements of public moneys forming part of the consolidated revenue fund.

Now I would like to deal with our reporting responsibilities. Section 20 of the Audit Act requires the Provincial Auditor to make an annual report to the legislative assembly. This report is to include an expression of opinion on the financial statements of the province. Also included are comments on observations made by the Provincial Auditor and his staff in the course of their audit activities.

For the most part, these comments are extracted from memoranda and reports written by this office to the various ministries and Crown agencies concerned. Memoranda or reports are issued on every audit performed. Comments, including recommendations for improvements and internal controls and the general efficiency of the accounting process, are made on matters noted during the course of the audits. The ministries and Crown agencies have an opportunity to review our findings and to forward their comments thereon.

Matters raised in these memoranda and reports which in our considered opinion should be brought to the attention of the assembly are extracted and included in my annual report. Pertinent replies received from the ministries and Crown agencies to the time of completion of my report are included without further comment by our office, but are reviewed during subsequent audits of the respective areas.

In the organization and staffing of our office, the Office of the Provincial Auditor is



divided into four branches, each of which is administered by a director. The public accounts audit branch audits the public accounts of the province and public debt transactions, is responsible for the preparation of material for the Auditor's report and for liaison with the standing committee on public accounts. The revenue audit branch audits payments into the consolidated revenue fund, for example from various tax sources, federal subsidy programmes and so on. It is also responsible for institutional audits, for example Ontario Hospitals, correctional institutions, etc. The expenditure audit branch audits payments out of the consolidated revenue fund, for example administrative expenditure, grants and subsidies, etc. Crown agency audit branch audits boards, commissions and other Crown agencies where specific legislation directs or reviews audits of agencies performed by public accountants.

Our current staff on payroll is 74, as compared to 70 at this time last year. Currently we have 35 professional accountants and 19 students at various levels in their courses of study leading to professional status. During the year, one student was successful in qualifying, by examination, for his professional status. It is anticipated that three students of accounts will be eligible to write their final examinations in 1976.

In June, 1975, the Office of the Provincial Auditor was granted the status of a practising firm by the Ontario Institute of Chartered Accountants. This will now permit us to article CA students. Therefore we now have students registered in all three professional associations. Since July, 1974, all students of accounts have been employed on a contract basis.

Each year at estimate time there is usually a question asked as to who audits the Auditor. Under that heading, Examination of Provincial Auditor's Accounts, section 25 of the Audit Act requires that accounts relating to the disbursements of public moneys on behalf of the Auditor and his staff to be examined by an officer appointed by the Lieutenant Governor in Council. Order in council 3518, dated Dec. 17, 1975, appointed G. H. Ward and Partners to conduct the audit. This audit has been completed and a copy of the report, covering my disbursements for 1972-1973, 1973-1974 and 1974-1975, has been tabled with the standing committee on public accounts.

I might add that proposals were requested by and received by Mr. George McIntyre,

FCA, executive director, Ministry of Treasury, Economics and Intergovernmental Affairs. It was upon his recommendation that G. H. Ward and Partners were appointed.

That, Mr. Chairman, is a very brief outline of the duties, responsibilities and organization of our office. I thank you very much for allowing me to make these opening remarks, and I will be pleased to answer any questions you or any member of your committee may have.

Mr. Shore: Can I ask questions about his report later?

Mr. Chairman: Sure. I believe we'll handle these estimates the same as any other estimates. I'll ask Mr. Germa to speak, and then I think Mr. Shore wishes to say a few words. Then, Mr. Scott, you can reply to those two after they've finished and we'll open it up for questions in that manner.

Mr. Germa: Mr. Chairman, as the chairman of the public accounts committee, of course, I think anyone sitting on public accounts committee is quite aware of the Auditor's role, probably more so than is the average member of the Legislature. Up until this point in time and the experience I've had with the Auditor, I'm quite satisfied with his performance. I'm constantly amazed at how he can function to the degree he does, given his limited budget, when I compare his budget with the budgets in other provincial jurisdictions and I relate it as a percentage of expenditure and to the staff that the other Provincial Auditors have.

I'm looking at the figures for 1976-1977, and I see there has not been any appreciable increase in the allocation of funds to the Auditor's office. In fact, the 1975-1976 estimates showed \$1,636,000 and the 1976-1977 estimates show \$1,640,000. An increase of \$4,000, to my mind, is really not going to do the job to the same degree we would have expected the job to be done. I think the natural inflationary increase is not even taken into account in the appropriation.

One of the questions I would like to ask the Auditor is about the very small increase in appropriation. Maybe he could tell us, if he has the actual figure for 1975-1976, how the year ended up when the estimate was \$1,636,000. Does he have the figure of how much money actually was spent? And how does this relate to the \$1,640,000 that is appropriated, which in my mind doesn't cover the inflationary costs even in salaries, let alone goods and services and communications? I think the office is being downgraded to some



degree if we relate it strictly to dollars. How is the Auditor going to maintain the same staff, with the same competence, when he doesn't have the funding? I don't think he has the funding which would provide for that.

I have some other questions I would like to pursue, if the Auditor could answer that one general question on funding.

**Mr. Scott:** The actual figure of \$1,640,000, which appears in the estimates, will not be adequate. We estimate that it will fall short by \$50,000. As I think you're probably aware from dealing with the estimates of other ministries or offices, there was no provision allowed in the individual ministry estimates this year for economic adjustments or merit increases. When we calendarize our budget over the fiscal year 1976-1977, we estimate we'll fall \$50,000 short, which will then have to be obtained through Management Board order out of the vote that appears in the Management Board estimates. I think it's roughly \$175 million or something of that nature that is put in there as sort of a contingency fund for ministries when they run out of money and require it for economic adjustments, that I believe have not been determined completely for all employees yet, and also for merit increases. So we will require what we estimate to be another \$50,000. [3:30]

**Mr. Germa:** Could I continue, Mr. Chairman? I took note of the number of employees you have on staff, 74. When I compare that with other provincial jurisdictions, taking into consideration that Ontario has over 7,000,000 population and Alberta something over 1,000,000, I see in Alberta the Auditor has a staff of 152. I cannot relate that the Province of Ontario would have a staff 50 per cent of what Alberta would have. Quebec has a staff of 140, which I think is a more comparable jurisdiction to Ontario population-wise and probably budget-wise. How do you function, or how are you expected to function, when you have, in my mind, comparing you with the other jurisdictions, such a small staff?

**Mr. Scott:** If I may reply to Mr. Germa, going back to the Province of Alberta, I am not too sure what year your figures relate to.

**Mr. Germa:** To 1975, Mr. Scott.

**Mr. Scott:** In Alberta they are, I believe, in the process of converting from a pre-audit function to a post-audit function. If you go back several years when we were on a

pre-audit basis, our staff requirements were at that time I think up to 96. When we started converting, we found we were able to operate with more professional staff. In the pre-audit days we had a tremendous number of clerks, now we have more professional staff. We have relocated the majority of clerks. We still have, I would say, approximately 10 clerks on staff who are in more senior positions and had considerable experience; they remain with us. As they are being retired or relocated, if they get jobs in other ministries—

**Mr. Shore:** Excuse me, could you just explain to some of us the difference between a pre-audit and post-audit?

**Mr. Scott:** Very, very briefly—

**Mr. Shore:** I think I know what it is.

**Mr. Scott:** I am sure you are fully aware of it, Mr. Shore, and I think some of the others are. Briefly, on a pre-audit all expenditures are examined prior to payment. On a post-audit we go in after the fact, after the payments have been made, and we only do a test. I think Mr. Shore will bear me out in this, that when you are doing a post-audit of any organization or a financial audit as a practising firm would term it, you do it on a test basis and your test is determined by the amount of errors you find within that ministry. If you do a reasonable test and find out there are very minor errors or no errors, then you can reduce your test.

Here we are now working with qualified accountants and we are, as I mentioned, gradually phasing out our clerks. We are into the student programme and we are hiring students. These students, shall we say, have higher academic standards than the clerks. They are either B.Comm graduates from universities who will be going into the CA stream or they are community college graduates or Ryerson graduates who will be going into the RIA or CGA stream of students.

**Mr. Germa:** When did we get fully on the post-audit system, Mr. Scott?

**Mr. Scott:** I am speaking from memory, but I think about Feb. 28, 1974, Mr. Germa; so that the fiscal year 1974-1975 would be the first full year of post-audit.

**Mr. Germa:** Well, when I compare your office cost as a percentage of government expenditure, I see that since 1971, 1972, 1973, 1974, the percentage has remained the same. Pre-audit or post-audit, it has remained the same, at 0.02 per cent of total government



expenditure. That doesn't fit in with your explanation that the post-audit has made a difference in your office expenditure or complement. As a percentage of government expenditure, the percentage remains the same throughout for the past five years.

**Mr. Scott:** If I may, Mr. Chairman, I think it is difficult to relate it on a percentage basis because we have gone through a period of inflation. Even though the provincial expenditures have risen sharply, it doesn't necessitate more staff to do the post-audit. Let's take, for example, salaries, which over the past four years have probably risen somewhere in the neighbourhood of 35 per cent, or maybe greater than that, but your amount of work on a post-audit basis is exactly the same, irrespective of the dollar value. So it is very difficult to relate percentage-wise to the overall total budget of the province.

**Mr. Germa:** What I am trying to get at, Mr. Chairman, is the difference in expenditures in different provinces as it relates to the Office of the Auditor. There is, I think, quite a sizeable difference. In the case of Newfoundland, for instance, in 1973 they spent 0.09 per cent of total expenditures on the Office of the Auditor; whereas in 1973, as I stated earlier, the province spent 0.02 as a percentage of government expenditures. Is that not a fair measuring stick to use to try and decide if we are getting the audit services that we should?

**Mr. Scott:** Mr. Chairman, I don't think you can relate it on that basis. You have to relate it on the programmes in the actual ministries, Crown agencies and the various functions that are being performed, rather than on a dollar basis.

**Mr. Germa:** Are you suggesting, then, that the Auditor in Newfoundland would possibly be taking more responsibility? I think you are responsible for auditing all boards and commissions and Crown corporations, are you not? So what other duties could another Auditor have that you at present do not have?

**Mr. Scott:** I believe if you go to Newfoundland you will find they have the responsibility for auditing municipalities. Here in Ontario we do not audit all the Crown agencies. There are a number of Crown agencies that are not under our jurisdiction. I think it is a total of seven or eight, plus two corporations that have been set up by the province, that are not Crown agencies and for which we are not the auditors.

**Mr. Germa:** Can I move on to another topic? The Office of the Auditor has considerable clout in the House of Commons. I think the Auditor General of Canada has demonstrated great independence. I have a study in front of me by Professor McInnes who assessed the independence of auditors—Simon McInnes, Department of Political Science, Glendon College, York University. I think you have seen this document, Mr. Scott. He makes an assessment, and he says that the Auditor in Alberta is not independent, that the Auditor in British Columbia is not independent. In Ontario, he has another category. He says "almost independent." Ontario, Manitoba and Prince Edward Island are almost independent. Absolutely independent are Newfoundland, Nova Scotia, New Brunswick, Quebec and Saskatchewan.

What does he mean when he says that you are "almost independent"?

**Mr. Scott:** Mr. Chairman, if I may reply to Mr. Germa, it's very difficult for me to interpret somebody else's remarks on which they've had no discussion with me. I might say that was written by that individual, or professor, whatever the case may be, without any consultation with my office.

It's very difficult for me to pass judgement on his thoughts, but I would take exception to his thoughts and say that we are totally independent. I have no interference from any member of the Legislature, whether it's government or opposition. I have complete cooperation from the Civil Service Commission, and we report strictly to the Legislature. So I would say we're completely independent.

I would go so far as to say that, from a professor's viewpoint, maybe when we get a new Audit Act in this province I would like to see our estimates handled by the Board of Internal Economy. The audit office has been in existence, I would say, since 1869, and there was no such thing as a Board of Internal Economy until a year or so ago. Therefore, we only had one mechanism in order to get funds, and that was through the normal procedure of submitting our estimates to Treasury Board, and currently Management Board, and then going through the normal estimates process.

Up until about two or three years ago, our estimates were even debated in the House by a member of the executive council. Now we have taken it away from the House and it comes before this miscellaneous estimates committee, so that I can speak on behalf of my office and no minister of the Crown has



to speak on behalf of this office. As I mentioned just a moment ago, I think one step further, in a new Audit Act, would be to require the Provincial Auditor to present his estimates to the Board of Internal Economy, and then from the Board of Internal Economy to this forum.

**Mr. Germa:** Do you interpret your independent status to mean that you can make an assessment of government policy, or do you confine yourself strictly with the jiggery-pokery of adding up and subtracting and making sure it's legislatively legal? Does your independence go that far?

**Mr. Scott:** Mr. Chairman, if I may reply to Mr. Germa, I would say that I don't think it's a policy of any Provincial Auditor or legislative auditor to be criticizing policy. I think that is the prerogative of the opposition members. If I were to do that I would then be taking the place of the official opposition in the Legislature, which I don't think I should do.

I think it's my position to bring to the attention of the Legislature the facts we have determined through the course of our audit, and then allow the forum, such as the standing committee on public accounts to review it and question the minister or deputy minister of the respective ministries. If it's policy that has to be criticized I would say that they bring in their recommendations criticizing the government on their policy. I feel that that's the prerogative of the opposition of the government and not the prerogative of the Provincial Auditor or any legislative auditor.

**Mr. Germa:** If we take all our wisdom from the mother of all parliaments, the House of Commons—I mean in Canada—the Auditor General there seems to exercise the independence to criticize policy. I'm just wondering how you relate his activities to yours? Or am I not reading the Auditor General properly, that he criticizes policy or assesses policy in the House of Commons?

[3:45]

**Mr. Scott:** Mr. Chairman, if I may. I don't think the current Auditor General criticizes policy. He has certainly—and possibly very rightly so—criticized very strongly this year, after the review that was made of the accounts of the federal government, the quality of the financial people who were administering the accounts of Canada. But to my knowledge I don't think he has ever criticized actual government policy.

**Mr. Germa:** I think I am relating back to the former Auditor General, Maxwell Henderson. I think he was quite regularly assessing policy. He was probably beyond his jurisdiction, but he got away with it anyway, I would say.

**Mr. Scott:** I think we are probably dealing with personalities there. I don't think, as I stated a moment ago, it is the prerogative of any legislative auditor to criticize policy. I think that is the prerogative of the opposition.

**Mr. Germa:** Thank you, Mr. Chairman.

**Mr. Shore:** In the absence of the Liberal critic, I would like to make a few comments and ask a few questions.

First, in his opening remarks the Auditor commented that accounts are audited or assessed or examined by the most recent appointed independent auditor, G. Ward and Co. I want to be satisfied; (a), that you do have the independence of an audit—and the audit, as I define it, is to examine the accounts not to examine the policy necessarily; (b), having established what areas you are auditing, to see why you're not auditing other areas and why you are auditing certain areas that you are; and (c), to determine what the end result is after you've done it and what powers, if any, you have after you've done that.

My background in auditing is going to be either a handicap or an advantage, I haven't figured out which. Probably a little bit of both.

I won't dwell so much on the absolute dollars here. As far as I am concerned, the prerogatives of the Provincial Auditor are clear and I won't dwell on what Mr. Germa said. My position will be generally that you have to make the decisions on what you think you need to carry out your responsibilities.

I am sure Mr. Germa was trying to help you out here, but I have to assume that you are a big enough boy to know that what you need is what you are going to try to get. Therefore if you need \$3 million—this may be the key to the thing—I would assume you would come to the proper bodies and say: "To carry out my responsibilities, I need \$3 million." So I am assuming that the \$1.6 million, subject to that \$50,000, is what you need. As a matter of fact, I was going to comment that if you divide it by the number of boards—I should get back into the auditing field—but I won't do that because I can see it's—



**Mr. Scott:** Add the ministries to that, as well.

**Mr. Shore:** That is right. No, I am quite satisfied. If I could start with the concept of independence. I don't know what the report was that he was reading but I think you made a very valid point. Anybody who makes a submission or opinion or report and who doesn't at least bring into consultation the people he is reporting on, seems to me to have not only not been fair in his opinion, but he has missed the opportunity of finding out whether he is valid in his assessment. Having known that, I would question the validity of the document on that basis alone.

I am a little concerned, not with that report but to be satisfied that the Provincial Auditor is truly independent. To me that is the first test of what it is all about. I'm satisfied that he wants to be independent but I'm not satisfied that he is totally independent because of situations that are perhaps not clear yet.

In the first place, I am glad you mentioned it because I was going to say something about it—although I wouldn't have thought of the Board of Internal Economy—having to go through the process you have now under the Audit Act, to me automatically, potentially puts up a roadblock to total independence. It's a theoretical roadblock, perhaps, but any theory can be a practical possibility.

Although you've commented that you have the greatest co-operation from the various bodies you have to deal with, to me it's still by that process not totally independent. Your observation is very valid but until you get to that point I don't think it is fully independent.

The other thing, and it's a minor point but it's part of my concern for independence, is the fact that the appointment of the auditors, G. Ward and Co., comes either directly or indirectly from senior officials of TEIGA. Certainly G. Ward are qualified auditors but it does leave an element of doubt in my mind as to the total independence. I guess you can always challenge whether there ever is total independence, but from an auditor's point of view we know what we mean by independence and this at least leaves some doubt in my mind as to full independence.

With that in mind, I will carry on with some of these areas here and you could maybe try to remember what I'm asking as opposed to what I'm saying. How is it decided what Crown agencies you actually audit and what ones can go to outside auditors and so on? Can I stop there for a moment? Do

you automatically have to audit, by law or statute or whatever it is, all Crown agencies or could a Crown agency say: "I don't want the Provincial Auditor"; or could the Legislature or somebody say: "I don't want the Provincial Auditor. I want to bring in an outside auditor." What are the general rules of the game there?

**Mr. Scott:** Would you like me to deal, Mr. Shore, with the independence first and then go on to the Crown agencies? Is that satisfactory?

**Mr. Shore:** Yes, I'm in the middle but that's good. I'd rather do it that way and it may cut off some of the other things.

**Mr. Scott:** Dealing with independence, I can assure the members of this committee that I have total independence. To an individual, as Mr. Shore has pointed out, taking a look at the fact that I have to submit my estimates to Management Board and go through the same routine as any other ministry of Crown, it would appear that I haven't got independence. But I can assure you I have for the simple reason that the government has not put any constraints on my office from the standpoint of staffing. As you will realize, all ministries have been requested to cut back on staff and have been given allocations and have been given complements. We do not have a complement in our office. We project what our requirements are and we endeavour to try to keep our staff up to our requirements.

I think you will agree that at some time or other there is a problem of recruitment in order to get the calibre of staff required. The Civil Service Commission, through Management Board of Cabinet, have put constraints on unclassified staff and will not permit unclassified staff to be then appointed to the regular staff, due to the constraint programme and so forth.

I am not subject to any of those requirements. I am free of all those, so that I can hire staff. As a matter of fact, I believe this year my office was the only office of the Province of Ontario that was represented in recruiting staff at the universities. We were out at the universities in October and November on the basis of the recruitment schedule put out by the Ontario Institute of Chartered Accountants.

We have found in past years that, by going in and trying to recruit in February and March, we were getting the dregs that nobody else wanted. This year we were in there at the same time as practising firms. We in-



interviewed the staff and put out job offers to four members we wanted; two accepted the positions and two turned us down.

We have also carried on with recruitment at Ryerson and we have had two positions accepted; I believe one will be reporting in July and another in August; and we have just put out two job offers to two more students who will be graduating from Ryerson this spring. So we do have that independence.

**Mr. Shore:** Let me just interject here to say why I'm concerned. I'm really probing to satisfy myself; I'm not challenging it, but I am just trying to find out if you have that independence. I don't believe you do have it but, as we develop our discussion, maybe I'll walk away saying you have got it. You haven't satisfied me yet, however.

The fact you've got good relationship, the fact they haven't cut your budgets and the fact you were early at the universities in hiring—and I must say a lot of the practising firms weren't doing much hiring this year—

**Mr. Scott:** They stole a lot of good people.

**Mr. Shore:** Did they? Well, you will probably be able to steal them back.

Without getting into that debate, I'm not satisfied of your independence, because there has to be more than just a good working relationship; there has to be a truly technical independence. For example, the first question I'll ask is, who hires you? Who do you answer to?

**Mr. Scott:** I answer to the Legislature and the Legislature only.

**Mr. Shore:** You answer only to the Legislature?

**Mr. Scott:** In accordance with the Audit Act, the appointment is by the Lieutenant Governor in Council, but I report only to the Legislature.

**Mr. Shore:** And that is through this process of the public accounts?

**Mr. Scott:** My annual report is tabled in the House, it is referred by the House to the public accounts committee, and then I respond to the public accounts committee.

**Mr. Shore:** That takes care of you, more or less. What about the other 73 people? By whom are they employed?

**Mr. Scott:** In our Act—and this is another reason we need a revision, or shall I say an

entirely new Act?—it says that I can hire staff. Mark you, when you look at this, you have to remember that the last total revision of the Act was in 1954 or something like that, I think. There were very few employee benefits provided. If I were to hire staff strictly under my Act, there is no indication that my staff would then be entitled to the benefits that a normal civil servant is entitled to. In order to provide those benefits, we have the staff appointed under the Public Service Act. But, as I say—

**Mr. Shore:** They are the bargaining agent?

**Mr. Scott:** There is no bargaining agent. We are specifically exempted under the Crown Employees Collective Bargaining Act; my staff cannot belong to any union of government employees. The only reason they are currently appointed under the Public Service Act is so they can enjoy the benefits that are normally allowed to other civil servants.

**Mr. Shore:** But, technically speaking, they are still employees of the government, aren't they?

**Mr. Scott:** Basically, I would have to say they are appointed under the Public Service Act.

**Mr. Shore:** Your rationale probably makes sense—and maybe that is the rationale—but the way it is in fact is that they are employees of the government of Ontario.

**Mr. Scott:** Mr. Shore, I hope to correct this in the fall. I am currently working on a draft of a new Audit Act, and I would have it stated there that the employees of the office of the Provincial Auditor are entitled to the normal benefits accruing to civil servants. I would then be able to appoint them under my own Act. Even though I say I have the independence now, from an outsider's standpoint it would look as though I haven't got that independence, but we will have it when we get the new Act. [4:00]

**Mr. Shore:** Who hired you? Of course, you moved up the ladder.

**Mr. Scott:** I moved up, that is correct.

**Mr. Shore:** Who hired your predecessor? Did he move up, too?

**Mr. Scott:** He moved up. Mr. Groom started in our office, I would say, in 1956, left about 1966 and then came back in 1971. His predecessor before that, Mr. George



Spence, FCA, I think came on staff about 1938, or somewhere in there.

**Mr. Shore:** Are you required to certify the statements that you prepare?

**Mr. Scott:** The provincial—

**Mr. Shore:** On Crown corporations.

**Mr. Scott:** Crown corporations, yes.

**Mr. Shore:** The normal certificate type of statement?

**Mr. Scott:** That is correct.

**Mr. Shore:** Have you ever had to qualify a statement?

**Mr. Scott:** Yes, I think there's the odd qualification. The odd one is qualified in accordance with the notes that are appended to the financial statements.

Getting back to your second question related to how we audit some Crown agencies and not others, this comes about through the legislation setting up the Crown agencies. In some instances we are specifically appointed by the Act as the auditors. In other cases it is permissible for the corporation to appoint its own auditor, and in some of these cases we have been appointed and in other cases we have not been appointed.

Back to independence, this is one reason I resist the charge-back system in dealing with Crown agencies, because I feel it would restrict my independence on the audit. If an individual is paying for the service he must have some input. They restrict it to strictly a financial audit, whereas we want to go into a more in-depth audit. Without a charge-back system we have more independence than we would have under charge-back.

**Mr. Shore:** It is difficult for you to give me an objective answer, but I am going to ask you the question anyway. Do you feel there would be any difference in the absolute independence if outside auditors were to be doing the auditing of the Province of Ontario first, and then maybe these boards? It will be hard for me to get an objective answer from you. You have a totally vested interest but I am going to ask the question anyway, recognizing the vested interest.

**Mr. Scott:** I think, Mr. Shore, from your experience in the auditing field you will realize that if an independent firm were to be doing the audit, they would certify the statements and present a management letter to the management of the corporation; or

if they were doing, let's say the Ministry of Treasury and Economics, the same would apply; but the mechanics of how those items that are contained in the management letter would ever get to the Legislature is beyond me. As you know, every management letter that goes to an independent corporation in the private sector never gets to the shareholders, it goes to the management of that corporation. In this way I feel we have independence and the Legislature is far better served by utilization of the office of the Provincial Auditor. The matters that are in question are brought to their attention if we think they are of significant importance.

**Mr. Shore:** We are relating to the second question, aren't we?

**Mr. Scott:** That is correct.

**Mr. Shore:** If I can just follow that pattern through, because it is really doing the same thing, the end result of your work is substantially in the statements and in your report here. It seems to me, as I read through this, I'm not personally satisfied that the observations you are making, most of which are very valid and I agree with, are either being attended to or that they are being attended to as fast as I think they should be.

I place myself in the position, to a certain extent, and I don't profess to be the spokesman for good auditing because I'm probably not, but as I related it to the private sector, an auditor comes in and makes his audit observations and so on, I'm reasonably satisfied that one of several things would happen. One is that they would be attended to; that if they're not attended to something would develop, either the auditor would resign in some instances or he would be replaced, something like that would happen. There's no vehicle like that through this process. I'm not suggesting that there are overt or major things, but there are enough things in this whole document that bother me politically, and to a certain extent professionally.

I'm just wondering what observation you make, keeping in mind the jurisdiction under which you're working and so on, if you feel totally comfortable that what you're asking for is being attended to, and if there's anything that we should know about that could improve the process if you're not totally satisfied.

**Mr. Scott:** Mr. Chairman, if I may reply to Mr. Shore. I think, Mr. Shore, this question came up in public accounts, as you mentioned. However, I would say this, we



have had the support of the standing committee on public accounts, and it has only been in the last three or four years or so that the standing committee on public accounts has been extremely active and come up and had the ministries' officials before them.

We follow up on our comments on our next audit to see that they have been implemented. If not, we repeat them, and certainly if we have to repeat them the second year then you can rest assured that ministry is going to be called before the public accounts committee and the public accounts committee will deal with the officials and make a report to the Legislature.

It's only been, I would say, two years that the Management Board of Cabinet has been monitoring the public accounts committee recommendations to the Legislature. The whole process has gradually been gearing up, and I would say with the support we have had from the standing committee on public accounts more and more of our recommendations are being implemented, and implemented at the early stages.

**Mr. Shore:** You're concentrating now on principally post-audit?

**Mr. Scott:** It's all post-audit.

**Mr. Shore:** Do most of these places that you do your post-audit for have internal audits of any kind, either from the ministry's point of view or the Crown corporation's point of view? Do they or don't they?

**Mr. Scott:** Yes, the larger ministries all have an internal audit organization and some of the larger Crown corporations do. The Liquor Control Board, Workmen's Compensation Board, the Ontario Housing Corp., to name just a few, all have internal audit organizations.

**Mr. Shore:** And which are the two corporations—I think you said two or three—that have outside auditors doing this?

**Mr. Scott:** There are two corporations that are handled by outside auditors under our direction. One is the Ontario Land Corp. and the other is the Workmen's Compensation Board.

**Mr. Shore:** Can I ask why?

**Mr. Scott:** That is, again, the specific legislation, which states that the audit of the corporation will be done by the Provincial Auditor or, if the board elects to appoint outside auditors, they will work un-

der the direction of and report to the Provincial Auditor.

**Mr. Shore:** I want to ask two questions: Why do they do it for those two? And another obvious question: Why don't they all have that choice?

**Mr. Scott:** These two, in particular, were the subject of a recommendation of the COGP, the Committee on Government Productivity. They recommended that all Crown agencies be audited by the Provincial Auditor or, if the boards elected to appoint outside auditors, they would work under the direction of and report to the Provincial Auditor.

**Mr. Shore:** So these two corporations came into existence after that—

**Mr. Scott:** No, the Workmen's Compensation Board was the first corporation that had its Act substantially amended in 1973, so they incorporated that legislation in their Act; and the Ontario Land Corp. came into being I think about a year ago.

**Mr. Shore:** So they have sort of come in, either directly or indirectly, as a result subsequent to the COGP.

**Mr. Scott:** Yes.

**Mr. Shore:** Let me ask you this: I'm not clear I understand that they shall be audited by, whatever they are, the outside auditors, but under the jurisdiction of the internal auditor. Can you just tell me, what do you do? Do you oversee their audits or review their working papers, or is that what it means?

**Mr. Scott:** We review their audit programme and if there are any specific areas we would want a particular private firm to look into, other than their normal financial audit that they would do, we give them that direction. When they have completed the audit, they report to us. They give us what is their normal management letter. They turn over their working papers to us. We review their working papers then we produce the financial statements, put our certificate on—

**Mr. Shore:** Not their certificate?

**Mr. Scott:** Not their certificate. They give us their certificate in reporting to us and then we put our certificate on. Then we compile our report, based on their management letter to us of their findings.

**Mr. Shore:** Why is that process followed? If they have the "and/or," why couldn't they



just prepare their audit, whatever it might be, and report to the agency or the body?

**Mr. Scott:** Here again, Mr. Shore, not being a lawyer, we obtained a legal opinion as to the responsibility of my office when the Workmen's Compensation Act was amended, and the legal opinion from the Deputy Attorney General stated there was no doubt in his mind and in his opinion that the full responsibility for that audit rests with the Provincial Auditor and that he would have to take the responsibility, sign the certificate and the report, even though the work was actually performed by a private firm.

**Mr. Shore:** Who were the two outside auditors who were doing the audit for Workmen's Compensation?

**Mr. Scott:** Workmen's Compensation Board is done by Winspear Higgins; and Ontario Land Corp. by Thorne Riddell.

**Mr. Shore:** My nitty-gritty observation is that it appears to me there is an obvious duplication factor here in this type of situation. That's a minor point. There is no doubt that there is, in my mind at least. What would be your observation, if there is some merit to that "and/or" type of concept? Leaving aside for a moment that I'm not a lawyer either, but I would want to think about that, surely it would make sense to give that "and/or" option to all the Crown corporations, would it not?

**Mr. Scott:** Mr. Chairman, in reply to that, that may be the case eventually, if and when the individual pieces of legislation setting up those corporations ever came up for review. However, I have had no indication that the Crown corporations we are fully responsible for and do the audit for, are dissatisfied with our audit, so I don't anticipate that being put in.

[4:15]

**Mr. Shore:** I am not trying to suggest they are. I am just saying, coming back to part of it, if there is merit to the thing—

**Mr. Scott:** The rationale behind the setup, if we use the Workmen's Compensation Board as a classic example, is it is an autonomous organization. They derive no money from the consolidated revenue fund in the form of annual estimates, and the Legislature had very little review of the Workmen's Compensation Board. Now a classic example is their legislation was amended in 1973. We became the auditors for the fiscal year 1974. Our report to the Legislature in 1975 contained

the first comments on the Workmen's Compensation Board and the standing committee on public accounts had the Workmen's Compensation Board before it this morning. That is the first opportunity the standing committee on public accounts has had to have the board appear, because with an independent audit there is never a report to the Legislature on that audit.

**Mr. Shore:** That's probably the way the Act reads—

**Mr. Scott:** That's right.

**Mr. Shore:** —but that doesn't necessarily mean an independent audit could not somehow, some way, find itself before the Legislature. All you have to do is make laws that would allow it to—

**Mr. Scott:** You would have to change the legislation.

**Mr. Shore:** Yes, you would have to make some changes.

**Mr. Scott:** They got around that process by changing the legislation and bringing the audit under our direction.

**Mr. Shore:** What is the—oh, that's what that is. I think that is all I have right now; thanks very much.

**Mr. Chairman:** Mr. Scott, could I ask a question—having some of your Crown corporations audited by outside auditors, could this be why your budget is substantially less than those in Alberta and Quebec where they may be doing all their own audits?

**Mr. Scott:** It would certainly have some effect on it. If we had all the Crown agencies under our audit undoubtedly we would have to have an increase in staff. There are only about 12 agencies currently which are not auditing, other than the Workmen's Compensation Board and the Ontario Land Corp. Those 12 are such organizations as the Art Gallery of Ontario and the Clarke Institute of Psychiatry and so on. One large one is Ontario Hydro. Certainly if we were to do those corporations—for instance, Hydro would be a terrific operation which would require a tremendous increase in staff.

**Ms. Bryden:** I wonder, Mr. Scott, could you give us the complete list of the ones you do not audit? You named several of them but I don't think we have the complete list, have we?

**Mr. Scott:** I can read it out. Would you like me to read it out, Ms. Bryden?



**Ms. Bryden:** Yes, please.

**Mr. Scott:** We have the Art Gallery of Ontario; the Clarke Institute of Psychiatry; the Ontario Cancer Institute, which is the Princess Margaret Hospital; the Ontario Hydro; the Ontario Institute for Studies in Education; the Ontario Mental Health Foundation; the Ontario Municipal Employees Retirement Board; the Ontario Research Foundation; the Royal Ontario Museum; the St. Clair Parkway Commission; the Teachers' Superannuation Commission; the Toronto Area Transit Operating Authority. In addition to those there are two corporations which have been set up which are not Crown corporations but public corporations; one is the Ontario Energy Corp. and the other is the Ontario Transportation Development Corp. Those last two are not Crown corporations.

**Mr. Shore:** Ms. Bryden, could I just follow up on that? The ones you've just answered for Ms. Bryden, are these ones that you have to supervise too?

**Mr. Scott:** No, we have no audit on those 12.

**Mr. Shore:** None whatsoever?

**Mr. Scott:** No.

**Mr. Shore:** Not even like the Workmen's Compensation Board?

**Mr. Scott:** No.

**Mr. Shore:** So they have no accountability to you at all?

**Mr. Scott:** None whatsoever.

**Ms. Bryden:** I was going to ask the same question, Mr. Shore. I presume the legislation setting up each of these just does not mention audit?

**Mr. Scott:** It mentions the audit, but it does not mention that the Provincial Auditor will perform the audit; therefore, the board has the power to elect its auditors.

**Ms. Bryden:** So it is only the two that you mentioned, the Ontario Land Corp. and WCB, that have the option to audit independently but under your direction?

**Mr. Scott:** That's correct.

**Ms. Bryden:** And the two non-Crown corporations also are in the same category as the others that you mentioned, such as the Art Gallery, in that they provide their own audit and are not subject to your direction?

**Mr. Scott:** No, they are public corporations and as such they elect their own auditors.

**Ms. Bryden:** I see.

**Mr. Shore:** On Ms. Bryden's observation on what we are talking about here, what is the conceptual difference between these organizations and the 45 Crown agencies? What is the difference between these agencies?

**Mr. Scott:** Basically, I don't know whether you could actually define any difference. It's actually the way the legislation was drafted.

**Mr. Shore:** We are back to that legislation drafting again.

**Mr. Scott:** We are back to the legislation.

**Mr. Shore:** In other words, there are three types of legislative drafts; there appears to be the old one, where the Provincial Auditor did the audit; right?

**Mr. Scott:** Right.

**Mr. Shore:** Then there appears to be something in this legislation where they can go wherever they want; and there is the Workmen's Compensation Board where there was the "and/or." Is that basically correct?

**Mr. Scott:** That's basically what we are into. We are hopeful that this can be resolved with a new Audit Act. There is a possibility, in order to get full disclosure and full reporting to the Legislature, we could put an omnibus clause in a new Audit Act, which would bring these 12, or at least a portion of those 12, under our jurisdiction.

**Mr. Shore:** That's the one side of the coin.

**Mr. Scott:** They could all be on the same basis.

**Mr. Shore:** Or they could all get out of here. Now I am not saying which one I like, because I don't know; but it seems to me that there is certainly something wrong with the way it is now.

**Mr. Scott:** There is no uniformity.

**Mr. Shore:** As Ms. Bryden observed, through this question, and as you said in my discussions with you, you are all for this concept of your audit as the way to get to the Legislature and to get here, but there is now no way to get these before us.

**Mr. Scott:** That is correct.

**Mr. Shore:** The Legislature isn't looking at any of these, is it?



**Mr. Scott:** Pardon me, there may be a way to get it before you. Let's take the Ontario Institute for Studies in Education as an example; you'll find that there is a transfer payment of \$9 million or maybe \$11 million in the estimates, so when those estimates come up there certainly could be questions by the estimate committees. But there is no way I could see that those organizations could be called before the public accounts committee, unless a member of the public accounts committee looked in the public accounts and said: "Oh yes, I see the Ontario Institute for Studies in Education got \$12 million. I would like them called before us to account on how they spent that money."

**Mr. Shore:** Without debating the merits of outside auditors—and I use the words "outside auditors" as opposed to the Provincial Auditor—if you make a good case for your argument as a Provincial Auditor in my questioning of you, it seems to me there is something wrong if that case can't be used for all bodies. That is the question I am trying to rationalize; there is something wrong here, if your case is sound.

**Mr. Scott:** This, Mr. Chairman—

**Mr. Shore:** Is that part of the review of the Audit Act? Who is reviewing the Audit Act?

**Mr. Scott:** Currently, shall we say, I am reviewing it—

**Mr. Shore:** There is no legislative body involved?

**Mr. Scott:** There's no legislative body. What I would anticipate doing here—I don't know whether you're aware of it or not but there was an independent review committee on the Office of the Auditor General of Canada. There is a report. It contains 47 recommendations. We are currently reviewing our Act because there are many redundant sections in our current Act since we've gone on to a post-audit basis. We hope to come up with an entirely new Act incorporating the recommendations so that my office is on the same basis as the Auditor General of Canada. It is hoped—or it is my wish—that when this gets into a draft bill the bill will be referred by the House to the public accounts committee for clause-by-clause discussion.

**Mr. Shore:** I'm sorry, Ms. Bryden. Thank you.

**Ms. Bryden:** I hope in your review you will be considering the recommendations of this independent review committee.

**Mr. Scott:** That is correct. I might just add—

**Ms. Bryden:** And adopting or recommending the ones you think are applicable to Ontario.

**Mr. Scott:** If I may just interject, Mr. Chairman, the legislative auditors of Canada have been meeting once a year. There's a meeting coming up in September and at the September meeting, I believe, in addition to the Auditor General of Canada—there has never been an Auditor General of Canada Act and the information I have is that there will be an Auditor General of Canada Act based on the recommendations contained in that report. It is our thought that at the legislative auditors' meeting in September—Ottawa, Ontario, Alberta, British Columbia and, I believe, Prince Edward Island—there are going to be four provinces plus Ottawa hoping or anticipating that a new Act will go through either in the fall or in the spring of 1977. We will be discussing at that meeting the proposed legislation and we hope to get some uniformity throughout these provinces.

**Ms. Bryden:** If I may continue, Mr. Chairman, with my questions: With regard to the auditor who audits the auditor, you mentioned that G. H. Ward had been chosen after TEIGA received proposals. Do you mean tenders? Where do the proposals come from?

**Mr. Scott:** If I may, Mr. Chairman, in order not to have any participation in the selection of the auditor who would be auditing my own accounts, I refrained from being involved in either the selection or the recommendation. Therefore, I requested from the assistant Deputy Treasurer, the assistance of Mr. McIntyre, who is a chartered accountant, to undertake to have proposals submitted. A proposal is not a tender. They requested seven or eight chartered accountant firms to submit proposals on the auditing of the disbursements of my office. Upon the basis of the proposals, which would be their estimate of time, the charges per hour for the audit manager, the partner and the juniors who would be doing the work, they then selected G. H. Ward because of the economic factor and their charges. They estimated they could do that work in the specified number of hours and would have a senior partner, an



audit manager and several students involved. Mr. McIntyre reviewed all the proposals; he interviewed the firms; made his selection and recommendation to the cabinet which then passed the order in council appointing G. H. Ward.

**Ms. Bryden:** Is G. H. Ward the first auditor who's audited the auditor? Did this just start three years ago?

[4:30]

**Mr. Scott:** That is correct. It's the first time. When the Audit Act was amended, a very brief amendment in 1971, we had that section put in to provide for that. Prior to that, there was never any provision in the Audit Act to audit the disbursements of the Provincial Auditor.

**Ms. Bryden:** Is their appointment indefinite or is it made every year?

**Mr. Scott:** No, the appointment is not indefinite. As far as G. H. Ward is concerned, it has fulfilled its appointment. In view of the fact that when you look at our estimates, out of the \$101,640,000 budget the salary figure is \$1,343,000, in my estimation, and also in discussing it with G. H. Ward and Partners, they felt that it would be sufficient to have it on a two-year basis rather than on an annual basis. So I would assume that the audit will be done for a two-year period.

**Ms. Bryden:** But they continue?

**Mr. Scott:** No, they do not continue. It will have to be a new appointment and there will be new proposals submitted.

**Ms. Bryden:** Presumably for a two-year period rather than one?

**Mr. Scott:** For a two-year period, right.

**Ms. Bryden:** I suppose it differs from tenders in that specifications are not written and we don't have sealed bids?

**Mr. Scott:** That is correct.

**Ms. Bryden:** With regard to the personnel, I have a standard question that I ask all departments or ministries: How many women do you have on your professional staff?

**Mr. Scott:** We have one lady with professional status. There's nine in total, but two are secretaries, one is a clerk-steno and one is a typist. The other five are students of accounts.

**Ms. Bryden:** It seems we're still a long way from any sort of percentage relationship between men and women as far as their participation in the labour force. Do you have more applications from women coming up now? Is there an attempt to try to increase the number of women?

**Mr. Scott:** Mr. Chairman, if I may, up until about 1½ years ago we had only one female on our staff who seemed to be at all interested in taking a course of study and gaining her professional status. Now, when we're out on recruitment at universities, it's amazing the number of female applicants who are taking Bachelor of Commerce degrees, or taking business administration at Ryerson, or at one of our community colleges.

As I just mentioned, we now have five female students on staff, and I believe one of our job offers that is out currently is for another female student, so it's gradually increasing. I can see, over a period of time, that we will have a considerable number of female students.

**Ms. Bryden:** Mr. Scott, when you say one of your job offers is for a female student, do your job offers specify male or female?

**Mr. Scott:** No. We have interviewed about 10 and we've sent out two job offers; one is to a female applicant and the other is to a male applicant. They have, through interviews, been judged the best of all the applications that have been received.

**Ms. Bryden:** I'm sure you are well aware that part of the problem of why women occupy so few jobs at the higher levels is that people have in the past given preference to men or think men would stay longer. What we're trying to do is change that attitude so that ultimately it will probably end up on a 50-50 basis, or whatever percentage basis women participate in the labour force it would be the same percentage in the jobs.

**Mr. Scott:** I think we could relate it possibly, if I may use the example, previously the auditing field was pretty well a male-dominated organization. It was quite similar to, shall we say, bus driving in Metropolitan Toronto which was a male-dominated field, whereas now you're getting more female bus drivers and taxi drivers.

It's similar in the auditing profession. There are more and more females taking Bachelor of Commerce degrees at university or attending community colleges and taking business administration. I would foresee over a period of years that our ratio of female to male will



narrow and there will not be that great a difference.

**Ms. Bryden:** With regard to the recruiting of students, how do you choose the students who join your staff as articled students in the three groups?

**Mr. Scott:** Going back to the fall, we send a director, Mr. Archer, who is the director of our public accounts branch, to the universities, as I mentioned at the time, in accordance with the schedule set out by the Ontario Institute of Chartered Accountants. He interviews staff and, after conclusion of the interviews at the various universities, he makes his selection. He goes for a second interview later on in January and, upon that basis, if the student is still interested in coming into our office to article and if we feel he would be a good auditor, we then make a job offer, send out a job offer, offering him a position at the time he graduates. If the student accepts, he writes back his acceptance and he comes on staff sometime after graduation in the spring.

**Ms. Bryden:** How about the community colleges?

**Mr. Scott:** Community colleges are covered in exactly the same way. We apparently have been interviewing; we contact the placement officer at the universities or the colleges. They send us a list of potential people. Usually what they do is post the job offers in the various institutions and notify the students that an employer will be there on such and such a day for interviews; if they wish to apply for an interview they give their name in to the placement officer who then turns it over to us. Those people are interviewed and, as I say, a second interview is usually held in January or February and we make the selection after the second interview.

**Ms. Bryden:** Do you try to have a sort of geographical breakdown or allotment or do you do it strictly on who you consider the most meritorious of the applicants?

**Mr. Scott:** Strictly on the merits of the individual. We have no restrictions as to territory whatsoever. It depends upon the merits of each individual.

**Ms. Bryden:** How do you decide on how many CA, as opposed to CGA and so on? Do they limit the number that comes in or do you limit the number of each of the three streams?

**Mr. Scott:** We are limited by the Ontario Institute of Chartered Accountants and we

can only have 10 students of accounts registered with the Ontario Institute. All the rest of our students are taking either the RIA or the CGA course of study. Usually, our university graduates will go into the CA stream because they require a certain number of credits. If they have their BComm, they have sufficient credits and they just have to article for the two years, whereas the community college graduates can article in the RIA or CGA and would have a very limited number of credits. Their articling would take a little longer, usually four to five years.

**Ms. Bryden:** You mentioned that the Act forbids your staff from belonging to a government employees' union. Are they allowed to belong to other unions? For instance, could they belong to the Canadian Union of Public Employees, which is not in the Ontario civil service, except in a few areas, I think?

**Mr. Scott:** There is nothing by legislation to my knowledge that would prohibit them from belonging to any other union. They are strictly prohibited by legislation from belonging to the civil service union. They are excluded under the Crown Employees Collective Bargaining Act, but there is nothing in any other legislation that I am aware of that would prohibit them belonging to any other union.

**Ms. Bryden:** At the moment, do any of them belong to other unions?

**Mr. Scott:** No.

**Ms. Bryden:** With regard to action on the previous reports—I think Mr. Shore went into this to some extent; I may have missed some of the discussion—did you have a figure on how many recommendations of your previous years' reports have been implemented?

**Mr. Scott:** I am sorry, I haven't got a figure on that. But, as I mentioned to Mr. Shore, on the subsequent audit we review our recommendations, and if they haven't been implemented, we then repeat them a second time. After the second time, they certainly would be brought before the public accounts committee and the ministry would have to justify why they hadn't implemented our recommendations.

**Ms. Bryden:** Do you mention that in all cases when it's a second appearance in your report?

**Mr. Scott:** Yes, we do. I think there's reference in three or four cases where we say that in our previous report for 1973-1974 we



made certain recommendations that have not been fulfilled. If I might just add, Mr. Chairman, we also monitor the recommendations of the public accounts committee to see whether or not the government is implementing the recommendations of the public accounts committee.

**Ms. Bryden:** It would be very interesting to have a rough figure of what percentage of the recommendations, say of the 1974 report, have now been implemented. I imagine in some cases it is difficult to say yes or no because they could be partially implemented.

**Mr. Scott:** That's true.

**Ms. Bryden:** Would you consider preparing a figure of that sort?

**Mr. Scott:** For future reports?

**Ms. Bryden:** Yes, that might be the place to have it.

**Mr. Scott:** Yes, we certainly will take that under consideration.

**Ms. Bryden:** With regard to the Ontario Lottery Corp., that is one of the corporations you audit?

**Mr. Scott:** That is correct.

**Ms. Bryden:** Do you audit the books of the agents?

**Mr. Scott:** We have done a little preliminary work on that audit, but we haven't done the final audit on that yet. I don't think we have any jurisdiction to audit the individual agents' records. In order to go into an agent, we would have to have some specific direction and authority, and we have not got that authority. We have got the authority to audit the corporation accounts, but we have no authority to go in and audit an agent's accounts.

**Ms. Bryden:** Do you feel that you should have that authority or that there is sufficient control over the money that the agents collect and remit?

**Mr. Scott:** In my opinion, there would be no need to audit as far as we are concerned as long as the lottery corporation can account for it and has received all the funds that are due to the corporation. I think we would be intruding on private enterprise and private business if we were to go in and start to audit the distributors' accounts when the corporation had received all the funds that were due to the corporation.

**Ms. Bryden:** Sometimes you hear complaints of people who buy a book of five tickets and there are only three in it or something. I don't know where they get that corrected or where they complain to.

**Mr. Scott:** That has not been brought to my attention. I am not aware of that.  
[4:45]

**Ms. Bryden:** With regard to things like the health fund perhaps, or superannuation, where they hire a trustee to do part of the work—I know OMERS does, and that's not under you, but maybe some of the others do—do you examine the contract with the trustee or do you have some agreements of that sort in administering funds, such as superannuation funds?

**Mr. Scott:** Not to my recollection. We have no cases where there is a trustee appointed to handle the funds.

**Ms. Bryden:** The Ontario Hospital Association pension fund, for example, is run by a trustee, a private trust company, and they have a trust agreement. Do you examine their pension fund?

**Mr. Scott:** We have nothing to do with the Ontario hospital pension fund.

**Ms. Bryden:** You say you do the budgets of hospitals, but you don't have anything to do with the pension fund of the hospital employees?

**Mr. Scott:** No. You're talking here, I take it, of general hospitals?

**Ms. Bryden:** Yes.

**Mr. Scott:** Actually the general hospitals are operated through a board, the board appoints its own auditors, and the general hospitals are audited by firms in the private sector, not by the Provincial Auditor.

**Ms. Bryden:** I see. All you would examine would be the payments by the Ministry of Health to hospitals in sort of a lump sum? You wouldn't examine the details of how they spend it?

**Mr. Scott:** No.

**Ms. Bryden:** I think that's all I have at the moment. Thank you, Mr. Chairman.

**Mr. Ruston:** Mr. Chairman, I was thinking a while ago of some, but I think I got sidetracked on to something else and I forgot what I was going to ask, although I think Mr. Shore went through a lot of the ques-



tions that I was thinking of. Having been on committee going through his recommendations, I think the Auditor had mentioned a couple of years ago that he would like to see the Audit Act changed, and I was glad to hear that he expects to be able to bring a proposal in this fall. I was also interested in your mentioning that your estimates should be within the Board of Internal Economy. I can see your point there very much so, too.

So, no, I don't have anything really, as far as the audit goes. I think my experience on the committee has given me an insight into your operations, and I think that's a committee that everyone in this House should have an opportunity to sit on for a couple of years if they can, because I think it's very educational. Since the post audit came in, I think that's relieved a lot of problems that you had before and it's maybe more efficient too.

We've come some way in the last couple of years, since there's now all post-audit. We've come ahead and I just want to congratulate the Auditor. I think he's doing a pretty good job. I like the idea of keeping it strictly on an independent basis, which I feel confident it is. I think in his reports it wasn't mentioned as to whether some other auditors are auditing or their checking policy. I think your key concern has to be, are the payments made according to the policy or according to the Acts and so forth, and I think that's your role and no other.

I was going through the estimates of Government Services the other day, and we have the fund—I guess you'd call it the entertainment fund, and it's \$350,000 or something. Anyone could probably criticize that, as the auditor, and I think I've seen some areas in some governments where the

role of the auditor is not necessarily that he should draw it to the attention of the public so that, as you say, the opposition is aware of this. But it's not your position to criticize them, because after all if that's what the government wants to spend its money on then it's no role of yours to condemn that. You must see only that the money is spent where they intend it to be spent. I see your role strictly as checking to see that the money is spent according to how the government originally intended to under the Acts and so forth, and I think that's what you should criticize and nothing else, as far as I am concerned.

**Mr. Chairman:** Ms. Bryden, you were concerned about equal status for women. You'd probably be interested in the recent announcement which stated that the number of women with ulcers is getting closer to the number of men with ulcers.

**Mr. Ruston:** Not auditors, though.

**Ms. Bryden:** That should be an incentive for men to push more women into these jobs and save their own health.

**Mr. Chairman:** If there are no further questions, that completes the estimates of the office of the Provincial Auditor and the business of the committee for today.

**Mr. Cassidy:** Mr. Chairman, we're not meeting again tonight, I understand. Is that correct?

**Mr. Chairman:** This committee's duties are completed unless something else is assigned to us.

**Ms. Bryden:** We have nothing assigned to us.

The committee adjourned at 4:50 p.m.



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Cassidy, M. (Ottawa Centre NDP)  
Germa, M. C. (Sudbury NDP)  
Ruston, R. F. (Essex North L)  
Shore, M. (London North L)

Office of the Provincial Auditor official taking part:  
Scott, F. N., Provincial Auditor









*Legislative Assembly*

# Legislature of Ontario Debates

SUPPLY COMMITTEE—1

ESTIMATES, MINISTRY OF HOUSING

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Monday, May 31, 1976

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

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MONDAY, MAY 31, 1976

The committee met at 3:13 p.m. in committee room No. 1.

#### ESTIMATES, MINISTRY OF HOUSING (concluded)

On vote 2004:

**Mr. Chairman:** Mr. Cassidy.

**Mr. Cassidy:** I have a question in relation to OHC. What is the special committee on housing which is getting \$100,000 or so in the estimates for its work this year and which is entirely funded by OHC?

**Hon. Mr. Rhodes:** Mr. Riggs, I will let you answer that while I find the page.

**Mr. Riggs:** The special committee was formed a number of years ago. At the time, the government decided to implement housing authorities across Ontario getting out of direct management. That special committee has two or three main functions. One is to discuss with the various municipalities where we have direct management forming a housing authority, either on an area basis of the county or a municipal basis, or a grouping of municipalities as we have in northern Ontario, and to outline to them completely the whole method of administration appointments; and to work with the municipalities and subsequently housing authorities which are formed, getting them started, staffing them and things of that nature.

Last year we formed about three new housing authorities. At the same time, there are about 20 to 22 which are in the mill. There is a number of orders in council going through now. There are about seven new ones being formed which have come about as a result of the discussions which have taken place across Ontario over the past two and a half years.

In addition, this particular group is also responsible for the housing authority manual which must be up-dated monthly. They co-ordinate from the various components of the Ontario Housing Corp. revised procedures as

a result of the corporation deciding on a new procedure; or the government through Management Board or the Civil Service Commission. This document must reflect, on a monthly basis, current government thinking.

Those are two of the functions, among others, which they are involved in. They are basically civil servants.

[3:15]

**Mr. Cassidy:** How many housing units would be covered in the 20 housing authorities you are now in the process of creating? What are your plans as far as Metro is concerned?

**Mr. Riggs:** In terms of the housing authorities now being formed, excluding Metro, they will bring us up to about 70 per cent of all the housing being administered by housing authorities. I really have to ask the minister for any comments on Metro.

**Hon. Mr. Rhodes:** As far as Metro is concerned, I have had some discussion with Metro as to the possibility of giving consideration to the forming of a housing authority. There will be further discussions along that way.

**Mr. Cassidy:** That's as far as it's gone?

**Hon. Mr. Rhodes:** Yes, so far. That's basically as far as we've gone although I'd like to continue with those discussions with them.

**Mr. Cassidy:** Is the housing authority manual available if critics or the press or tenants want to have a look at it?

**Hon. Mr. Rhodes:** The manual?

**Mr. Cassidy:** Yes, that Mr. Riggs referred to.

**Hon. Mr. Rhodes:** I don't think there is anything in the manual that has any great secrecy attached to it but most manuals and this sort of thing are not generally made public.

**Mr. Cassidy:** Is the minister prepared to make it available to people who have a need to see it?



**Hon. Mr. Rhodes:** I think I'd have to determine who has the need. I don't know whether every tenant in Ontario housing has a need to have the manual.

**Mr. Cassidy:** Let's say critics from the opposition parties, the press and the people from tenants' associations?

**Hon. Mr. Rhodes:** I don't know. I'd want to think about that. As I say, I'm not trying to hold anything back from anybody in the way of information but let me have—

**Mr. Cassidy:** But you're holding it back at this time, is that right?

**Hon. Mr. Rhodes:** If you want to put it that way, yes.

**Mr. Cassidy:** Okay, we'll pursue it.

Are any other private firms besides Montreal Trust involved in management of OHC units in the way that Montreal Trust is?

**Mr. Riggs:** Yes. The government tabled in the House, a year or so ago, agreements between the Ontario Housing Corp. and the private firms. They included at that time Montreal Trust, Meridian and Greenwin. I believe since that time there has been one additional private firm—as a result of a public tender—called Condor which manages one project of the corporation's.

**Mr. Cassidy:** How many units do these private corporations manage in all, approximately?

**Mr. Riggs:** Breaking it down, Greenwin manages 2,057. I believe that's in three projects—four projects. Montreal Trust manages 1,919 which includes one student housing project which is the Yonge and Charles project. Meridian manages 1,674 and that's completely contained in the St. James Town development. Condor handles one project of 253, for a total of 5,903 units including 790-something—about 96—student housing units.

**Mr. Cassidy:** Okay.

**Mr. Riggs:** That's the Yonge and Charles project.

**Mr. Cassidy:** We were told the companies that gave gifts to OHC employees could not be prosecuted because a direct benefit was not proven. Now we had some issue with the Attorney General (Mr. McMurtry) about that, because we thought that the government should have tested the law in those cases rather than leaving it in abeyance and saying that they were beaten before they even tried.

Has the OHC continued to do business with the companies which gave those gifts or have any restrictions been placed on those firms?

**Hon. Mr. Rhodes:** I am going to let Mr. Riggs reply to that as well, because we have taken some action. Mr. Riggs, do you want to respond to that?

**Mr. Riggs:** Mr. Chairman, first of all, responding to firms that were charged, if I may. Those firms were suspended as soon as charges were laid by the Ontario Provincial Police. They have remained suspended since then. I believe the majority of the firms were convicted, and the corporation does not undertake any further business with them.

In terms of the other firms which were mentioned in a newspaper article—and I believe the words were to the effect that 76 firms were investigated. These firms were not necessarily involved either in the gift giving, or in any relationship to the probe into crime in the construction industry. Many of these firms were investigated because there may have been records. And I quote such firms as the Royal Bank of Canada, which was one of the firms reviewed in terms of any documentation that might have been on its premises which would have related to the investigations of the Ontario Provincial Police.

However, in regard to those firms which were not charged and which may or may not have given gifts—I have a list of all the firms here—if the firms that were not charged did submit bids to the Ontario Housing Corp., awards would have been made to those firms under the present guidelines that I have.

**Mr. Cassidy:** So you have continued to do business with those firms where tenders are involved. Is that correct?

**Mr. Riggs:** For those firms that submitted tenders on a public tender, on the firms that were related to the OPP general investigation, including such firms as the Royal Bank of Canada, yes sir.

**Mr. Cassidy:** But where tenders were not involved, where it was more of an award without a contract, without being on a tender basis, have you also continued to do business with those firms?

**Mr. Riggs:** To the best of my knowledge, we have not. Because we are no longer doing proposal calls, as I believe the minister knows. The great majority of our business throughout the province is now done on a public tendering system.

**Mr. Cassidy:** Okay.



**Hon. Mr. Rhodes:** Mr. Cassidy, for your information I will table with you, and with Mr. Hall, copies of memoranda that have gone out that deal with instructions to corporation employees and companies doing business with the corporation. It relates to the conflict of interest guidelines.

**Mr. Cassidy:** These have been brought in in the wake of those cases, is that correct?

**Hon. Mr. Rhodes:** No, these go back to the cases in 1972.

**Mr. Cassidy:** Okay, thank you. Mr. Minister, the next question I want to ask about is the Kingston housing authority. I believe you have had the opportunity of becoming aware of the problems that took place there with the inquiry that the Ottawa office carried out—the criticisms which received wide currency when they got into the Kingston Whig-Standard.

Are you satisfied with the change that has taken place? Are you satisfied with the decision to keep the general manager in office after the probationary period of six months is over? Are you aware that apparently the general manager is once again seeking to evict Ms. Cuthbert, who was one of the people whose impending eviction led to the furore over the housing authority in the first place?

**Hon. Mr. Rhodes:** Yes, I am aware of the circumstances that caused the first situation. I am aware of some of the steps that were taken by the housing authority in order to rectify the situation.

I have been in Kingston and have met with a number of people who are tenants in OHC, with members of the authority, as well as with people who are working as employees of the general manager. All the time I was there, there was no mention made of that particular situation; none whatsoever. I am reasonably satisfied that the authority has taken the necessary steps to rectify the situation.

As far as Ms. Cuthbert is concerned, I am aware there are efforts being made to evict her. I think it is a matter that will probably be dealt with by the board.

**Mr. Cassidy:** The board of the Kingston authority?

**Hon. Mr. Rhodes:** By OHC probably, if the case goes that far.

**Mr. Cassidy:** I see.

**Hon. Mr. Rhodes:** You have mentioned Mrs. Cuthbert to me. She sent me a telegram, interestingly enough, on the day I was going to Kingston and indicated that she—well, I will read the telegram:

IN JANUARY, 1975, OHC PROMISED TO SUPPLEMENT MY RENT IF I HAD TO MOVE OUT OF KINGSTON HOUSING. THIS APPEARED IN AN ARTICLE IN LOCAL WHIG-STANDARD NEWSPAPER. I NO LONGER WISH TO INDULGE IN QUENNEVILLE'S PETTINESS. I FEEL I AM LITERALLY BEING RUN OUT OF TOWN BY SLANDER BECAUSE OF QUENNEVILLE. DO YOU HAVE THE PARTS TO KNOW WHAT THIS HAS DONE TO MY CHILDREN AND ME? I WOULD LIKE THE RENT SUPPLEMENT OR WE WILL BE MEETING YOU IN COURT. I EXPECT IMMEDIATE REPLY.

Ms. Cuthbert has received a reply and I am waiting to see whether or not I'll meet her in court.

**Mr. Cassidy:** Okay. We can pursue that after these estimates because I am concerned about the situation.

**Hon. Mr. Rhodes:** Mr. Cassidy, we are as concerned as you are about the situation. Let us understand one thing: There are certain tenants in OHC units throughout this province who create many problems for themselves and for other tenants. It is all well and good to come here as the champion of each individual tenant but let me assure you in this particular case I have read all the material on it. I am fairly satisfied in my own mind—in fact, quite satisfied—that this particular tenant has been given every opportunity to remain as a tenant of OHC, every opportunity, but there are certain rules and regulations and activities which must be kept within reasonable bounds for the benefit of others.

**Mr. Cassidy:** You would agree that those opportunities have been created by OHC and not by the local housing authority which did not in any measure try to give that kind of treatment to the tenant.

**Hon. Mr. Rhodes:** As I say, I think that situation has been rectified. Obviously, this particular tenant is not satisfied with the way she has been handled. I don't think I intend to inject myself into the situation any longer. If there is a matter for the Ombudsman or the courts to deal with, of course, I think we will deal with it in that way.

**Mr. Cassidy:** I'm not satisfied that the administration of the housing authority has performed the transformation of which you speak. I just make that as a representation to you.

**Hon. Mr. Rhodes:** I trust, Mr. Cassidy, that you will make yourself—I am sure you will—



totally aware of all of the circumstances in that particular case before we start running it through the mill.

**Mr. Cassidy:** I want to ask another question and this is the final question of detail. In Windsor, my friend the member for Windsor-Sandwich (Mr. Bounsall) has shown me tender documents from OHC which were passed on in turn to him by a manufacturer of matting. I forget exactly what the figures are but this manufacturer of matting is prepared to tender for that portion of the contract at, say, 25 cents a sq ft or some similar figure.

The successful contractor is bidding on an enormously wide variety of items which are all on the same contract. It's the kind of tender that ranges from soup to nuts; every conceivable kind of cleaning and maintenance supply. As a consequence, only an intermediary or a wholesaler can handle the tender and manufacturers who have a particular line which they can provide much more economically don't have that opportunity. As it comes out—again the figures are hypothetical—you may have \$5,000 or \$6,000 worth of matting being bought for a figure maybe double what the manufacturer is prepared to bid at.

**Hon. Mr. Rhodes:** I am not aware of this situation.

**Mr. Cassidy:** The basic situation is there may be 150 or 200 items on the same tender. I wonder whether, among other things, in order to encourage small businesses, the ministry or the OHC is prepared to entertain cutting those up into logical sub-groups?

**Hon. Mr. Rhodes:** We will look into that particular situation. I think part of the problem—if it's a problem—is that tender calls are in whole or in part.

**Mr. Cassidy:** Are in whole or in part?

**Hon. Mr. Rhodes:** Yes.

**Mr. Cassidy:** If this was in part, it would answer my problem.

**Hon. Mr. Rhodes:** All of the tenders should be in whole or in part.

**Mr. Riggs:** They may not be.

**Hon. Mr. Rhodes:** They may not be?

[3:30]

**Mr. Riggs:** We will check that out. This is probably a maintenance equipment contract

for brooms and waxes and things of that nature.

**Mr. Cassidy:** That's correct, for the Windsor housing authority.

**Mr. Riggs:** I am not quite sure if we issued it or the Windsor Housing Authority issued it. I don't know, but from my understanding of the situation we would normally allow a part bid on like items wherever possible. Otherwise it is common for a certain firm to supply waxes and powders and things of that nature without getting down to just one item. If there is a need for a part bid quoting we will certainly look into it and check that bid out and make sure of the principle, which I happen also to believe in that there should be whole or part bids wherever possible.

**Mr. Cassidy:** The principle is that part bids, wherever a reasonable amount of business is involved, should be permitted. Is that right?

**Hon. Mr. Rhodes:** Certainly.

**Mr. Cassidy:** I gather you were quoted last week as saying you thought that supplements should be given for shelter to individuals and not to units. I don't recall you saying that here. Did you say that in a speech somewhere?

**Hon. Mr. Rhodes:** No, I don't think I said it anywhere. I am one who believes that we should look very seriously at our rent supplement programme for people in existing situations. I have not suggested that it should go to individuals. That particular sort of proposal has been made on a number of occasions. I think the Ontario Economic Council made a recommendation something along those lines. They wanted to hand out coupons or something of that sort. I have not made that particular comment. I have said that I look with favour upon the supplement approach, though.

**Mr. Cassidy:** But are you saying that where somebody is adequately housed but has an income problem in paying for that housing, rather than move that person halfway across town into an OHC unit, you would be prepared to see a supplement paid to them to allow them to stay in the unit that they now occupy? Is that correct?

**Hon. Mr. Rhodes:** All things being equal, that's correct. I don't intend to create nor will I create, an open-ended situation, the universal type of programme. I think there have to be controls, not unlike what exist today



in this situation as it involves tenants who are now applying for and are eventually housed, hopefully, in existing OHC facilities. There have to be qualifying aspects of the thing. But I do look with favour upon the proposal to have people housed in existing facilities without, as you suggest, moving them across town or out of their particular neighbourhood.

**Mr. Cassidy:** That would be a valuable if small kind of step. What worries me is that you would still then limit very severely the eligibility to a certain number of people who could pass all of the hoops, get on the list and get accepted. There might be many people in similar circumstances who didn't come through OHC or who were not accepted even though they were on the lists.

**Hon. Mr. Rhodes:** Let me put it to you this way, I would not be in favour of having someone who is living in a facility that is far greater than what his real needs are and supplementing rent to a very high rental charge. If someone who needs a two-bedroom facility is living in a four and can't afford it, then I wouldn't be too prone to going ahead and subsidizing it for four bedrooms.

**Mr. Cassidy:** Is this a statement of government policy or of personal opinion?

**Hon. Mr. Rhodes:** No, that is a statement of personal opinion. As I have said before, we are looking at what the circumstances are within the ministry at the present time as to what the cost factors would be and how the programme could be applied. We are also going to have to have negotiations and discussions with the federal government concerning that too.

**Mr. Cassidy:** I was going to say tonight that you are a fine fellow but the problem is the ideas you may put forward are not necessarily those accepted by the government, and that it is not enough—

**Hon. Mr. Rhodes:** Don't do me any favours by calling me a fine fellow.

**Mr. Cassidy:** Maybe I'll take that out of the speech then.

**Hon. Mr. Rhodes:** Be my guest.

**Mr. Cassidy:** The problem is that in terms of getting affordable housing into people's hands in this province your ministry is not succeeding. You are doing it in a much more charming fashion, as you fail, than housing ministers have done in the past.

**Hon. Mr. Rhodes:** Don't you bet any money on my failing.

**Mr. Cassidy:** We'll see.

**Hon. Mr. Rhodes:** You're damn right we'll see.

**Mr. Shore:** Don't bet anything with him, just stay neutral.

**Hon. Mr. Rhodes:** You don't want to bet with me?

**Mr. Cassidy:** I want to talk later about HOME, but I thought that the OHC part might be one subject and then we could return to HOME, although it is under the same vote.

**Mr. Chairman:** Mr. Hall.

**Mr. Hall:** Bearing in mind that we have to complete the Housing estimates by 6 o'clock, and bearing in mind the fact that the cigar I gave you is going to explode in three minutes —

**Hon. Mr. Rhodes:** If it does, it's going to get the Chairman.

**Mr. Hall:** —I just want to keep my remarks brief on Ontario Housing. Could you tell me exactly how much land Ontario Housing Corp. holds and give a break-down of this in terms of for what different uses; in what areas; how much is immediately usable? If there has been a transfer so that a lot of the holding is now with the Ministry of Government Services, how much was transferred to Government Services and therefore sits available for Ontario Housing Corp.?

I don't want to delay the meeting if that is a difficult question but I would like to have the information.

**Hon. Mr. Rhodes:** The raw land we hold is 16,409,781 acres. You want to know where that is held?

**Mr. Hall:** In some manner of distribution.

**Hon. Mr. Rhodes:** In Brantford, 979.334 acres.

**Mr. Hall:** You can skip the decimals.

**Hon. Mr. Rhodes:** That's in Brantford township. If we had all that in Brantford, we would own the town. In Cambridge, 2,966.8—that's the Freeport community-Waterloo land assembly. Then there is the Waterloo land assembly which is 217 acres. No, I'm sorry—the two together are 2,966.8. In Kingston 217 acres.



**Mr. Hall:** Kingston 217?

**Hon. Mr. Rhodes:** Kingston 217. In Milton 2,238,103.

**Mr. Shore:** You own that town, too.

**Hon. Mr. Rhodes:** In Oakville, a total of 1,269,493. In Ottawa 5,302,118; Sault Ste. Marie 150,17; Thunder Bay 158.4; Whitby 2,365; Windsor 91.3. There are actually two parcels there—one of 91.3 and one of 672.

**Mr. Shore:** Nothing in London?

**Hon. Mr. Rhodes:** Nothing in London; not raw land.

**Mr. Hall:** No small pieces?

**Mr. Riggs:** Mr. Chairman, there is a small parcel of land called Kipp's Lane and we're negotiating with the municipality concerning its development. Hopefully, if we can resolve some of the problems which relate to a main trunk sewer, it would come onstream in the next year to three years. But that's a major problem we're looking at now. In terms of the development itself, the density and the amount of land to be left for parkland and things of that nature, I believe those have been resolved with the municipality. Now we're working on the servicing problem.

**Mr. Hall:** I was interested that from what you've described here, the intended use for the bulk of this purchased land is future HOME development. I thought there would be a multiplicity of small sites in many areas for ongoing senior citizens' projects and things of this nature, or in various stages of development.

**Mr. Riggs:** Mr. Chairman, perhaps I should apologize. Having tabled all that material last fall, which covered every parcel of land which we have, I must apologize that we don't have it here.

**Mr. Hall:** I had forgotten you tabled it all. If it's available, this is fine. I'm also interested in how much of it is immediately usable in the sense of proper zoning and proper servicing and how much has a current and forecastable need attachment to it. I suppose you would say that 100 per cent of it has a forecastable need attached to it, would you?

**Hon. Mr. Rhodes:** Anything that we hold that would be for potential seniors or family housing certainly is developable and we intend to use. In fact, one of the reasons that perhaps we don't have all of these small parcels, Mr. Hall, is the fact that what we

have here is the raw land that we hold. The smaller parcels are serviced land to be built on.

**Mr. Hall:** And those were tabled last fall?

**Hon. Mr. Rhodes:** Yes.

**Mr. Hall:** Maybe this was discussed last fall also. The special programme review under the chairmanship of the Treasurer (Mr. McKeough) indicated that all existing major landholdings that are not required for development be re-examined to see whether or not part of these can be sold. I'm wondering if there is any ministerial review based on that thinking in connection with the 16,409 acres.

**Hon. Mr. Rhodes:** We are in the process of setting criteria we'll be submitting to Management Board to determine our position as to either holding or selling land that we now have, in keeping with that report.

**Mr. Hall:** So there is a re-evaluation going on?

**Hon. Mr. Rhodes:** Yes.

**Mr. Hall:** That's fine. With regard to item 2, the Ontario Housing Corp., you said we were going to take items 2, 3, 4 and 5 together and Mr. Cassidy asked to break it down between OHC and HOME. Mr. Shore, do you want to ask some questions on OHC? If you do, I'll defer to you.

**Mr. Shore:** No, thanks very much.

**Mr. Hall:** I don't have any more questions, if Mr. Cassidy wants to pursue the HOME portion. Is that what you said?

**Mr. Cassidy:** Mr. Warner wants to speak on OHC and that's okay with me.

**Mr. Chairman:** Are you finished, Mr. Hall?

**Mr. Hall:** On the OHC section, yes.

**Mr. Warner:** It's a pleasure to have an opportunity to ask a question of the affable, likable minister "without" housing.

**Hon. Mr. Rhodes:** I hope you'll be more accurate in the questions you ask me pertaining to housing than you were on your comments about the acquisition of grants for Algoma University College, Mr. Warner.

**Mr. Warner:** Time will tell.

**Hon. Mr. Rhodes:** Time has already told; so be accurate.



**Mr. Warner:** Is the inquiry finished? I didn't think the inquiry was finished. Yes we can discuss Algoma today.

**Hon. Mr. Rhodes:** I think I should also comment on the aside "without housing." Obviously the hon. member has not taken the time to read the recent press reports. This province is not without housing. There's lots of it.

**Mr. Cassidy:** What about the cost of it? They can't afford it.

**Hon. Mr. Rhodes:** I'm not disputing the cost of it. I said all along there's no shortage of housing. You said there is. I say there's no shortage of housing. There's a shortage of income and we're aware of that.

**Mr. Cassidy:** That's right.

**Hon. Mr. Rhodes:** Well, change your tactics.

[3:45]

**Mr. Warner:** When I get calls from my constituents, particularly those who would qualify for Ontario Housing, and they ask me where they're going to be located, there's very little I can tell them; because increasingly within Metropolitan Toronto there aren't as many spots and there are more people on that list. The list seems to be growing and the spots aren't. That makes it a very frustrating situation.

To add to it, and source of the question I really wanted to ask, is that there seems to be a very curious practice, and I would appreciate a full explanation as to the purpose behind the practice, that is that 50 per cent of the vacancies are listed with the Ontario Housing Corp. on Bloor St. and the other 50 per cent of the vacancies are through the local officer, or whatever name you designate to that person—property manager or whatever. Now I find it a very interesting situation.

What happens when I get a request for housing, through Ontario Housing—someone has said: "Well I applied a year ago," or whatever, "and I've had my home visit, and they tell me there's no housing available"—we check with the ministry, with someone at your offices located as part of Queen's Park, or wherever, and are told "Yes, that's correct, there isn't any available."

Then I find out last week that that may be an entirely accurate answer, and yet there will still be vacancies available. I kept getting stories from constituents who say: "Well, I know there's an apartment vacant in the

building." I just attributed the confusion to some sort of bureaucratic type of organization. But that's not it at all. Apparently half of those vacancies are held by the property manager and he or she makes the determination as to who gets that particular unit.

Now I'd like to know why; and what kind of a list that property manager is working from?

**Hon. Mr. Rhodes:** There are two things, I think. First of all, any new applicant for Ontario Housing would go to the central office as a brand new applicant. If there is a transfer or a movement within the projects themselves—not unlike what Mr. Cassidy's been talking about several times here—the property manager will attempt to move the persons around in the particular district to keep them in relatively the same neighbourhood. So it may be quite so.

But a brand new applicant would go to the central area, with an effort being made to meet some of the criticism that has been received that we are moving people from one neighbourhood to another, or halfway across the city in order to keep some of the ability to make units available at the local level in the district.

**Mr. Warner:** But I was assured that not all of those vacancies which are retained—that you've described to take care of movements within a project, or movements within an area or district—that not all of those need to be for that purpose. They can estimate how many they need and work on some sort of average, I take it. But it appears there are vacancies above that—the ones that I would classify as new applicants—and that half of those reside with the property manager.

Now, I don't want to use the person's name right now, but that came through the ministry. If that's a practice and there's some rationale behind it, fine; I'm willing to accept that. I just want to know what kind of a list the property manager is working from.

**Mr. Rose:** The idea of the district manager holding a certain number of vacancies is so that he can deal with transfers within that district: for changes in the family composition, either more children or fewer children; people who have to change because of employment, to be close to a hospital, and so on. If he's filling up those vacancies he's freeing up other units which are still going to become available to people on the waiting list.

I think there is not a case of us holding a number of units vacant for more than about 30 days.



The reason it's 30 days is that if we have a new applicant coming in we have to give them a 30-day notice. We don't insist if they say: "I've got to give notice where I am." For instance, if the place is available June 1, we don't make them move if they say: "Look, I can't make it; I want to wait until July for problems of schooling."

So there's no sort of large pool of unused units, which I think, Mr. Chairman, may be what the member is driving at.

These units are allocated; first, for new applicants; second, for those families which have had a change in their composition. But the minute that family moves, say, from a two-bedroom unit to a three-bedroom unit, there's automatically a two-bedroom unit available for someone on the waiting list.

**Mr. Warner:** Okay. The second portion you described is precisely what I assumed was the situation and I was assured that is not the case. I don't want to belabour this point and I certainly don't want to drag in some of your officials, would the minister —

**Hon. Mr. Rhodes:** Why not?

**Mr. Warner:** Well, if you want to.

**Hon. Mr. Rhodes:** If an official has made a statement as being a policy of the ministry, I think we should discuss the matter with the official. Perhaps the official doesn't understand what the policy is.

**Mr. Warner:** Do you want to do it openly here or do you want me to give the name?

**Hon. Mr. Rhodes:** It's up to you.

**Mr. Shore:** Why don't you do it on a piece of brown paper and send it over?

**Mr. Warner:** Yes, do you want a brown paper envelope?

**Mr. Singer:** You should have more intelligence.

**Mr. Shore:** Let's have a vote.

**Mr. Warner:** I would like to pursue it with you because it creates a problem for me in my constituency office when I am trying to locate housing for individuals. There is such a shortage but I know there are vacancies. I know there are vacant apartments and vacant townhouses and so on.

**Hon. Mr. Rhodes:** All I can say is that you have raised the point here. I am not aware of this situation as you have described it. If there is an official within the ministry who is

misinterpreting the directives from OHC the official obviously should be advised otherwise.

**Mr. Shore:** Chained.

**Mr. Warner:** Either that or the situation actually exists.

**Hon. Mr. Rhodes:** Or the situation exists, right. If you want to send me that —

**Mr. Warner:** I would like to pursue it at a further point, okay.

Why is there the rule of one year's continuous residency within Metropolitan Toronto before you can make application for Ontario Housing?

**Hon. Mr. Rhodes:** Metro has set that as its rule. It is set in a number of municipalities—one calendar year's residence before you are eligible for —

**Mr. Warner:** That's a rule set by the metropolitan government and not by Ontario Housing, yet it's for Ontario housing?

**Hon. Mr. Rhodes:** Yes, remembering that they share in the cost of the deficit, the operating deficit. There are a lot of municipalities which have the same requirement.

**Mr. Warner:** Could you offer some rationale for that kind of requirement?

**Hon. Mr. Rhodes:** I guess they don't want to pay for outsiders coming into housing they are financially involved in or the local taxpayers are involved in. They provide the housing. I don't know whether that's a rationale or not but it's the reason.

**Mr. Warner:** All right. I understand that earlier the whole business—or at least part of it anyway—was discussed with respect to who is running Ontario Housing; whether or not you are turning this whole business over to Montreal Trust or some other outfit to run it for you.

**Hon. Mr. Rhodes:** Obviously you have missed a considerable amount of the discussion earlier and obviously haven't read Hansard.

**Mr. Warner:** Yes, that's quite right. What concerns me is this part of it—frankly, I don't know whether it was discussed or not—the people who called me said that when they had a complaint about the management of the place with respect to any clean-up or maintenance or whatever, they were told they had to contact Montreal Trust. Montreal Trust, of course, said they weren't all that concerned; they were managing the



books; they were collecting the money; they were organizing the financial aspect. Whether or not the place was maintained in a proper way really wasn't of any great concern to them.

**Hon. Mr. Rhodes:** I guess the answer is obviously that we have entered into a management arrangement or agreement with the particular firm, whether it's Montreal Trust or whoever it may be, and we would expect that they would live up to that agreement. If they aren't, we should be advised of the fact that they aren't. There is no way of knowing unless we are advised that they are not living up to their agreement.

**Mr. Warner:** How much is it—let's put it this way: How secretive should the information be about the location of individual houses or units purchased by Ontario Housing? Is it the kind of information which I should expect to receive? Should I know that within my constituency there are certain houses in the neighbourhood which have been purchased by Ontario Housing and are operated by them?

**Hon. Mr. Rhodes:** There is no secret about it. You should be able to know. I should be able to know, certainly. There is nothing horrendous about the fact that they are owned by Ontario Housing.

**Mr. Warner:** No, but if you follow what I am getting at—I have a lot of housing problems. Unlike many members for whom Workmen's Compensation is the greatest problem, housing is the greatest problem for me. When people come to me looking for housing I have had quite a few different stories given to me by Ontario Housing as to availability. If I knew where these units were and—

**Hon. Mr. Rhodes:** When you get a moment, if you would communicate with Mr. Cassidy, he will make available to you a book we tabled with him which lists every Ontario Housing project owned in the Province of Ontario.

**Mr. Warner:** Including individual homes?

**Hon. Mr. Rhodes:** Only rent supplement is not included in that book, everything else is there.

**Mr. Warner:** I'm glad you send things to Mr. Cassidy.

**Hon. Mr. Rhodes:** We don't send Mr. Cassidy things. At the request of Mr. Cassidy

and other members of this committee I tabled them here at this committee.

**Mr. Cassidy:** Can you see his halo?

**Hon. Mr. Rhodes:** No halo; it's just that if you have a communication problem within your own caucus that's your problem, not mine.

**Mr. Warner:** No, that would never occur; the minister knows that.

**Hon. Mr. Rhodes:** I think I'd better qualify that. The scattered units, the individual units, are not shown by address but they are listed.

**Mr. Warner:** I take it that you're moving more toward that; am I not correct? I think that's terrific; I really do.

I would also like to know where these units are, because if I'm right in my assumption as to who has the say over which families will get those units—that is divided between the property manager and the ministry offices on Bloor St.—I'd like to know where these units are so that I know whether or not they're empty. It's getting so that I can't really trust the information I get from Bloor St. because it may not be accurate—not misleading; just simply not accurate. All right? When they say all the units are filled they're absolutely right but there are still vacant units because the property manager has some control. That's what I'm concerned with.

**Hon. Mr. Rhodes:** Let's understand that there's a turnover factor involved here, too.

**Mr. Warner:** Yes.

**Hon. Mr. Rhodes:** There is about a 10 per cent turnover and we're not having somebody run up and down the streets in your riding to check to see who is in what buildings. It takes some time for this thing to get through the mill and back to the central office. There's time when the unit may be empty. Whether you believe it or not, there are some people who move out of the units who don't leave them in really first-class shape. We have to go back in and repair them, paint them and fix up things. They're going to be vacant while that is being done because people are really upset if you paint when they're in the house.

**Mr. Warner:** I'm not asking you to justify your organizational strength.

**Hon. Mr. Rhodes:** I'm not. I'm simply saying there may be vacancies. We may say the units are full but there may be tenants wait-



ing to move into that unit as soon as it's repaired or painted, for example. It would be vacant on the street but there is a tenant ready to move in.

**Mr. Warner:** To your knowledge, does the property manager have a copy of the vacancy list or the list of priorities?

**Mr. Rose:** Through you, Mr. Chairman, he does not have a waiting list at 101 Bloor St. but he does have a list within his district of the people in the districts who have asked for transfers within that district or people who are moving out. He would not have the master list at 101 Bloor St.

**Mr. Warner:** Okay, that's fine. Thank you very much, Mr. Chairman.

**Mr. Singer:** Can I follow that one up with Mr. Rose? What say does the property manager have? Does he pick from people in his district as to who is able to occupy a vacant apartment?

**Mr. Rose:** No, there are two things. One is the district transfer carried out within the district; a tenant may be overhoused and want to move from, say, a four-bedroom to a two-bedroom—or vice versa. That is what the district manager does. The people are allocated to the various districts from 101 Bloor and that is based on the allocation from 101 Bloor. The property manager can't say yes or no; it's the allocation at 101 Bloor.

**Mr. Singer:** Supposing a stray story I picked up had some basis to it? It relates to a building on Marlee Ave. I've been trying to find out; Marlee is in my riding. It has been suggested to me—and I have absolutely no evidence—that there is a way of getting in there and that way leads to an appropriate approach, apparently, to someone other than an OHC official. I've been trying to track this one down and I've been getting nowhere. How can this possibly be so? Or could it possibly be so? I'm putting a lot of ifs, ands and buts together, because I've got no evidence of it.

**Hon. Mr. Rhodes:** If you can, get some evidence; because it shouldn't happen.

[4:00]

**Mr. Singer:** I know it shouldn't happen. It disturbs me very much and I've tried to get something more concrete. The only concrete thing I have is that the person who gave me the story in the first place is someone whom I believe. Over and beyond that, I have run into a stone wall.

**Hon. Mr. Rhodes:** It shouldn't be happening; there is no question about that.

**Mr. Singer:** The mechanics of it surprise me. From what I know about the operation of the corporation, I would think it would be very difficult. But I have some reason to believe—it is just not a suspicion dragged out of the air—that this could be happening. It is in a building managed not by OHC but by somebody else.

**Mr. Rose:** We could review this. I would like to say that anybody who moves in has his lease prepared for him at 101 Bloor St. We'll check it out.

**Mr. Singer:** I would think, just as an exercise to see how efficient the administration is, it might be worth while checking that and also checking the financial resources of the various people who occupy apartments in that Marlee Ave. building, because I understand it's a very good thing. If you can get in, it is quite easy to go to Florida and spend the winter there. That really isn't why we're running OHC, to enable people to have a summer residence at a low rent and spend the winter in Florida.

**Mr. Riddell:** I just want to say that housing doesn't appear to be much of a problem in the area I represent, I suppose the reason is that we're not highly industrialized and there isn't the same need for housing. I haven't been too critical as a member of this committee of your ministry or some of your policies, but I guess it is a case that I perhaps can't appreciate some of the housing problems that do exist in other areas.

I would like to make reference to an OHC project in the town of Goderich which has been moving at a very slow pace or, as a matter of fact, is almost at a standstill. I am not sure whether the fault lies at the doorstep of the OHC or whether the fault lies with the contractor—I believe Del-Bar Investment—which has undertaken some OHC projects, I believe, in Port Elgin and Kincardine as well as in the town of Goderich. Some of the people who have been told they can move into these housing units in July find that the project hasn't even got off the ground. I believe of 11 units that are to be constructed, one is half-completed; two have the basements constructed and that's about the end of it; and there are eight where no construction has taken place whatsoever.

I am just wondering where the problem lies. Is it with OHC? Is it with Del-Bar Investment and, if it is, can OHC not bring some kind of pressure to bear on Del-Bar



Investment to get this project on the way to help these people who have been told they can move into these projects and who have already made arrangements either to sell or give up their leases in the homes in which they are living now in order to move into these projects and who now find in many cases the project hasn't even got started? Could you make a comment on the problem here?

**Mr. Rose:** We have had two meetings with the principal of Del-Bar. He has eight units in Elgin that he will be completing. We are also negotiating with him to complete the ones in Kincardine. He has agreed to proceed—I think it's in June—with the units in Goderich. There has been some difficulty with financial problems and funding. I think we have worked those out as a result of these meetings with the contractor and we hope he will complete the units I have mentioned.

**Mr. Riddell:** What about subcontractors who have done work on these homes? They are the ones who are speaking to me. They have completed their work and I suppose they are to be paid by the contractor, Del-Bar Investment in this case, and they are not being paid. I am just wondering what obligation does Del-Bar Investment have to pay the subcontractors who have completed their part of the work.

**Mr. Rose:** We hold back 15 per cent under the Mechanics' Lien Act. If the subcontractor has not received payment from the contractor for the work he has done he has to file under the Mechanics' Lien Act within 37 days. We hold back the funds.

**Mr. Riddell:** So he can't get it then, if—

**Mr. Rose:** He has 37 days normally within which to file a claim.

**Mr. Riddell:** Thank you.

**Mr. Cassidy:** I want to talk briefly about HOME, Mr. Chairman. I think the minister is aware that a number of people who own HOME houses had the value of their homes in the market increase by anywhere up to \$15,000 or \$18,000 as a result of the change of policy this summer which allowed them to sell before the five years were up. It was bad enough before, but it became even more gross after that change in policy. That change took place in early August and it happened to coincide with the launching of the election campaign. Perhaps the minister could say how those two events were related.

**Hon. Mr. Rhodes:** I don't believe they were.

**Mr. Cassidy:** You don't? Can you explain to me then why it was that, say, in the riding of Brampton the Premier (Mr. Davis) sent material around to people in the HOME subdivisions to say what a great job he had done for them and about all the money that they could make as a consequence of that change in policy?

**Hon. Mr. Rhodes:** No, because at that particular time I was busy sending out material in my own riding.

**Mr. Cassidy:** Telling your people in HOME the same thing, is that right?

**Hon. Mr. Rhodes:** No, it didn't happen in my riding. I had other things to tell them.

**Mr. Cassidy:** Okay. It's interesting; if the ministry had a few things to say to some of the condominium owners around the province some of the results in some of the ridings might have been different.

How many units were covered? That is how many units had not passed the five-year mark and became eligible to sell on the open market without price controls as a result of that change in policy?

**Hon. Mr. Rhodes:** Does anyone have a figure?

**Mr. Riggs:** Not at the moment.

**Hon. Mr. Rhodes:** We can get it for you.

**Mr. Cassidy:** Okay, I think I would be correct in suggesting that it will be of the order of about 4,000 or 5,000 units, would it not?

**Hon. Mr. Rhodes:** Say 3,000 to 5,000.

**Mr. Cassidy:** Okay, say 4,000 units. If the increase that went into private pockets was of the average of \$5,000 per HOME unit, that's a figure of maybe \$20 million which was one of the hidden costs, in this case to purchasers of homes, of getting the government re-elected. Would you agree with that, Mr. Minister?

**Hon. Mr. Rhodes:** No.

**Mr. Cassidy:** No, I didn't think you would. but all the same, certainly the way it came out in Brampton where I was speaking the other day was that it was a specific bribe to people in that particular area to re-elect the sitting member, who happened to be the Premier. It was nothing more and nothing less than that. It was a shoddy way of pro-



ceeding. Not only that, but I think it's wrong and bad policy.

**Hon. Mr. Rhodes:** You've made a statement—

**Mr. Cassidy:** Okay. I want to ask, Mr. Minister, is there any consideration to changing the policy surrounding HOME in order to ensure that the benefits of public land development are reflected in the price that is charged to people who buy the home after its first purchaser; in other words, the resale customers for that home?

**Hon. Mr. Rhodes:** Mr. Cassidy, if I understand your question correctly, it is: Is it the intention to prevent people from acquiring ownership of the land along with the house? I would say no, it is our intention to allow people to purchase and to own the home and the land.

**Mr. Cassidy:** I am very comfortable with people owning the home and owning the land. I make that clear. What I am not comfortable with, though, is that you have a very limited number of houses that are built for people in the \$20,000-and-less income bracket under HOME. In the normal course of affairs though, those houses will be coming back on to the market as people move, or get transferred, or die, or marriages break up, or whatever.

When those houses come back on the market, they no longer are accessible to people in the under-\$20,000 income bracket. They get sold to people on much higher incomes because those are the only people who can afford them at the prices that are charged. It seems to me, therefore, that it's like throwing a pebble into the water. There's a ripple that goes away. That's the degree of influence you are having on the housing market through the HOME programme because of the rotten way you're running it.

**Mr. Shore:** Ask him what the alternative is.

**Hon. Mr. Rhodes:** No, I don't have to ask what the alternative is. I know what Mr. Cassidy's alternative is, and that is the continuing lease of the land; which I just don't accept as being the answer.

**Mr. Shore:** He said he doesn't feel like talking about that.

**Mr. Cassidy:** The alternative is a form of controlled ownership, Mr. Minister. There are any number of examples of controlled ownership. Certainly, a condominium is one example where you acquire a space in the

sky, if it's a high-rise condominium. It's surrounded by all sorts of responsibilities as well as privileges. But in this particular case the ministry seems to be rather absurdly wedded to the idea that no matter what it does to make it possible for people to acquire a home who can't do so on the open market, there are no countervailing responsibilities on the part of the people who buy HOME houses.

**Hon. Mr. Rhodes:** The programme is to the ownership of the home, the ownership of the land, if the individual wishes to own it—and that's the policy of the government and it will continue to be.

**Mr. Cassidy:** Okay, with 1,000 or so units a year, I don't think you've yet achieved the targets that were set out the first year when the HOME programme was announced back in 1967. It's a good programme. It has taught us a lot. But it just seems to me, though, that this ministry and the government could be using controlled ownership in order to bring ownership within the reach of a wider number of people who are shut out of the housing market right now—and that that number of people could grow year after year if the HOME houses continue to be directed at that same income group.

If a teacher can buy an HOME house today, why is it that only a school principal can afford the house when it goes back on the market?

**Hon. Mr. Rhodes:** Mr. Cassidy, I think, philosophically, we'll never agree on the position that you are putting forth. We can debate it here at great length. The policy is there. The policy will continue.

**Mr. Cassidy:** Mr. Minister, okay; I don't want to have a long debate right now. I have to say that I'm upset by the way that works, and I'm sorry that there's no sign of any change. That's one of the reasons why your government is going to be in trouble, because there are so many people across this province who look at their own situation, or the situation of their sons and daughters, and they say: "In order to buy a home in Ontario, you've got to win the lottery; just like winning Wintario." They just find that an inadequate solution to the housing problem in the province.

**Hon. Mr. Rhodes:** Then I would suggest that the best way is for you to propose an alternative, and we'll see what happens.

**Mr. Cassidy:** Okay, I have, and I will continue to do so.



Mr. Minister, I want to ask about Borden Farm in Ottawa. The minister has had extensive correspondence about this, and I've talked to people about it. There were promises by previous Ministers of Housing that the second phase of the project would be completed by last year. In fact, it's stalled over the requirements of the Ministry of the Environment and the Ministry of Natural Resources, and I'd like to know what is being done to resolve those problems and get that HOME housing developed?

Hon. Mr. Rhodes: You're absolutely correct. We've had some difficulties insofar as the development of that land is concerned as the result of the requirements of the Ministry of the Environment and the very high cost for services. In the latest report we've had from the Ministry of the Environment to properly service that land, there has been a reassessment of its position and it will be much less than was originally anticipated. I can't say exactly when we're going to get on with it. We still have the problem with the Ministry of Natural Resources and the conservation authority as to certain protections that are being required so that that property can be developed.

Mr. Riggs, do you want to expand on that to a degree?

Mr. Riggs: The only addition I might have, Mr. Minister, is that we are looking, with the Ministry of the Environment, for alternatives for keeping the storm water—which, I believe, Mr. Cassidy referred to—other than ponding on the land, which is a form of leda clay, even in that area. The second one is that although the corporation has undertaken to provide the necessary protection to the banks there is a discussion ongoing with the municipality or the regional government as to the guarantee period on those banks and that one has yet to be resolved.

[4:15]

Mr. Cassidy: Okay. The previous figure for principal, interest and taxes, the maximum permitted under HOME, was 25 or 27 per cent of income?

Hon. Mr. Rhodes: It is 30.

Mr. Cassidy: It is now 30 but it has recently been raised to 30 from what figure?

Hon. Mr. Rhodes: Mr. Riggs says it was 27 per cent about two years ago; it is now 30.

Mr. Cassidy: Do you intend to raise it again? The statement made said "In view of increases in construction costs, housing costs, municipal taxes and salaries, the annual carrying charge allowable had been raised to 30 per cent." Do you intend to keep on letting it go up?

Hon. Mr. Rhodes: We aren't going to increase it beyond 30.

Mr. Cassidy: Are you aware that for lower income families, by the time you take in the additional cost of heat and hydro, you are taking upwards of 40 per cent of their take-home pay for housing costs under HOME?

Hon. Mr. Rhodes: That is probably quite correct.

Mr. Cassidy: Once again, that is not exactly affordable housing. On the one hand, you allow families to pay 40 per cent of their income on housing; on the other hand you express absolutely no concern at changes in regulations which have allowed individual people who benefited from HOME to take home profits as high as \$10,000 to \$20,000 because of an advantage they happened to get. That, basically, is at the expense of future home owners and the public.

Hon. Mr. Rhodes: As I said, in the interest of time, I'm not going to get into a long debate with you on this one, Mr. Cassidy, and to follow what I know is your position on this.

We could relate that to someone who purchased a home 1 or 15 years ago on the private market and say to those people, "Regardless of what has happened in the housing market today, you still should not be allowed to show any particular capital gain on your investment over that period of time." It's the same thing. If a person buys a HOME project facility and lives in it surely, if we believe in home ownership and I sincerely do, that individual should be entitled to some capital gain as much as a person down the road who built other than in a HOME project. That may be totally unacceptable to you philosophically; to me it makes some sense.

Mr. Cassidy: I would suggest to you there's a difference between ownership—which has a lot of values a lot of people support, including the NDP—and home speculation.

Hon. Mr. Rhodes: That is a real turnaround.

Mr. Cassidy: No, it isn't; it has always been that way. Home speculation, which is



what has been going on, is one of the things which has created the kind of problems you can't solve as minister.

**Hon. Mr. Rhodes:** I am reasonably satisfied, Mr. Cassidy, that you don't have all the answers either.

**Mr. Cassidy:** I am suggesting a number of answers. Philosophically, you aren't prepared to take them and that is one of the reasons you are having difficulty in resolving the problem.

**Hon. Mr. Rhodes:** As I say, those philosophical differences are bound to continue.

**Mr. Chairman:** Is there any further discussion on vote 2004?

Interjections.

**Mr. Cassidy:** Stuart Smith said the country or the province would survive under an NDP government.

**Hon. Mr. Rhodes:** For three years; and then you'd have to go back and pick up the pieces, such as they are doing in BC.

**Mr. Cassidy:** Just like Saskatchewan, which has survived for about 35 years.

**Hon. Mr. Rhodes:** Things are great there, too.

**Mr. Chairman,** earlier in the debate, Mr. Singer made a presentation concerning the availability of minutes of OHC board of directors' meetings. I undertook at that time to consider that request and to make a reply.

As far as I am concerned, I don't think there's anything in the minutes which should not be available. As to the principle of making the minutes available, I feel that is a reasonable request.

Before I can make that final decision, there are a couple of things which I think I have to be concerned with and which I mentioned to the member for Wilson Heights at the time. I am concerned about third-party involvement in some of the matters dealt with by the board and I think, at the time, I suggested to you that perhaps the minutes should be edited to take out those particular matters that might cause embarrassment to individuals, to tenants and to others.

What I want to do is have a discussion with the board members on that particular matter as to how we can handle that. I would like, too, to discuss with the chief legal counsel and the Attorney General (Mr. McMurtry) to see if making the minutes public, even an edited version, places the

corporation in danger of any legal action by outside interests that may be mentioned in the minutes in any way. If there are no legal problems involved then perhaps the whole thing can be made available.

I'd also like to discuss with the Attorney General the types of material that should be edited out because of their effect on third parties, what matters should be removed because of litigation—and there is some litigation currently in effect, as I think you're aware of, involving OHC—and what should be done about matters where possible litigation is now indicated. Those are the things that have given me some problems.

After I've had those discussions, if there is no serious problem in disclosing, say, edited minutes or non-edited minutes, I think then what I want to do before I even consider editing those minutes is sit down with representatives from both the opposition parties to determine just what would be edited. Because I certainly would not want to be accused later on of editing out the minutes without having had a reasonable discussion with you hon. members.

**Mr. Singer:** I think that's particularly wise in view of what happened in the White House with a 10-minute gap in some tapes.

**Hon. Mr. Rhodes:** Yes, I would hate to start off with 18 minutes of blank pages. But, really, I think I would want to discuss with you—perhaps we could grab some minutes, sit down and go through them, and determine between us what—

**Mr. Singer:** It's certainly of no particular interest to me that tenant X was evicted because he was running a speakeasy or some other nefarious operation—neither his name or his location. The incident either could be deleted entirely or summarized so that there would be no way of identifying him.

**Hon. Mr. Rhodes:** But, again, as I say, it doesn't bother me at all about the presenting of those minutes. That factor does bother me. I would like to have that opportunity, and with the indulgence of the members of this committee and both of the parties, if we can proceed in that manner then I'd like to do that.

**Mr. Singer:** Let me say this: I compliment the minister. I've been at this for a great number of years and this is as far as I've got. I'm beginning to see a little light at the end of the tunnel. I know the minister is as good as his word and we will work something out, and whether it is sufficient or not, let's see



how it takes shape. I commend the minister for having come this far. It's been a long road to get this far.

**Hon. Mr. Rhodes:** I would like to suggest that we can have this discussion with my legal people and then come back through the critics of both parties and indicate that we'd like to sit down and go over what should be edited, so that we do it in agreement.

**Mr. Shore:** Mr. Chairman, could I just follow this with a question?

**Mr. Chairman:** Sure.

**Mr. Shore:** I haven't been at it like Mr. Singer and I commend the minister, too. But could I just ask—and I do share probably some of his concerns as to the history of the situation, but can we draw from that conclusion in our seeing of some light, Mr. Minister, that assuming you can work out some of the historical problems of things—people have historically thought that these minutes were going to be secret and, therefore, some of the concerns you have may be very valid. Assuming you have this feeling of openness, and assuming you clear the air on the way to handle the problem of the past, can we assume that there would be movement in the direction of open meetings and open minutes? So in the future, if you feel that these minutes are basically eligible for openness, can we assume after you've cleared the air on the past these minutes do become public minutes, so you don't have to worry a year or two from now about having to go and edit them in any form and fashion? The people who are involved will know that they're basically open minutes. Is there any feeling on that subject?

**Hon. Mr. Rhodes:** The only concern I have is a concern as it relates to litigation or possible litigation. Again, I don't want to make any commitment to you to do this or to do that until such time as I find what the heck the legalities of it all are. If there are no problems as far as litigation is concerned and we aren't involving any third parties—the minutes are nothing more than resolutions anyway.

**Mr. Shore:** Could I just leave this with you, that when you are assessing the historical and the past, you give some consideration to the ongoing concept so that you don't have to go through an added process later on?

**Hon. Mr. Rhodes:** Certainly. I think if you are going to resolve the thing there is no point in having the same process evolved every year.

**Mr. Shore:** Right, if it can be done.

**Hon. Mr. Rhodes:** I was rather hoping the member for St. George would be here today so that I could ask what the procedure was at CMHC as it relates to the minutes of Central Mortgage and Housing Corp. Having been a former member, she could have helped us there.

**Mr. Singer:** It is a pity you were deprived of that.

Perhaps of some assistance to my colleague from London North is my second set of questions, those about the usefulness or lack of it of continuing OHC as a separate entity. Now that there is a Ministry of Housing and apparently reasonably well established, would it not be wise to take the housing operation that the corporation presently does within the ministry and have it fully available for answering through the responsible minister on the floor of the Legislature? Why do we need the extra arm there which adds its remoteness? Some of us have felt this for a long time, too.

**Hon. Mr. Rhodes:** I think perhaps I could partially answer your question by saying we are in the process now of looking at a reorganization within the ministry. That is a matter that is being looked at.

**Mr. Singer:** Goodness, such progress today.

**Mr. Cassidy:** Could you elaborate as to your reorganization?

**Hon. Mr. Rhodes:** It is just a realignment of responsibilities and a tightening up. We are a relatively new ministry that does have some loose ends that have to be brought together.

**Mr. Singer:** It might even go so far as doing away with the corporation.

**Hon. Mr. Rhodes:** As I say, that's one of the matters which is being looked at.

**Mr. Chairman:** Is there any further discussion on vote 2004? Is it carried?

**Mr. Cassidy:** Not the whole thing, just item 2 of vote 2004, Mr. Chairman, is it not?

**Mr. Chairman:** I understood that we were taking it all.

**Mr. Hall:** Yes, but we do want to discuss items 3, 4 and 5.

**Mr. Cassidy:** I know that Mr. Hall had some on item 3 and we have something on item 5, Mr. Chairman.



**Mr. Hall:** With respect to the Ontario Mortgage Corp., after all is said and done Mr. McDonald is responsible for most of the money in this ministry.

**Hon. Mr. Rhodes:** An honourable man from an honourable clan, as the hon. member for York South (Mr. MacDonald) would put it.

**Mr. Hall:** Very well put. Just because I am in the habit of asking such questions whenever I see such large sums of money, have there been any Management Board orders relative to this particular section of the ministry?

**Mr. McDonald:** There was a transfer last fiscal year of \$200,000 in respect of a shift of interest subsidy from our programme into another programme in the ministry. That is the only order.

**Mr. Hall:** Just a little housekeeping item.

**Mr. McDonald:** Someone else needed the \$200,000 and we didn't.

**Mr. Hall:** Referring to page 164 of your detailed information, you had \$1.547 million of administrative expense removed. I realize that tends to decrease your cost in that respect. You say that the expenses will now be paid out of mortgage interest income. It seems to me like a little bit of putting from one pocket to another. The interest revenue obviously decreased; therefore, the revenue side will be down.

[4:30]

**Mr. McDonald:** The Ontario Mortgage Corp. was formed in August, 1974, and the structure of financing was based on grants specifically from the Legislature for the operation of the corporation. In the budget of last year, \$2.5 million for operations of the corporation in the fiscal year were included in the estimates; \$1.54 million because of the previous year's losses. There was \$1,200,000 put in there for interest based on when we lent money at a lower rate than our borrowing rate from the Treasury. Fortunately, during the fiscal year, with the size of the portfolio growing, we foresaw that in future years there wouldn't be need for direct administrative expenses from the Legislature so long as we were able to pick up the difference between our negative lending rates. Those were the rates when we put mortgages out on accelerated family rental housing at eight per cent and our borrowing rate might be 8.67 or nine per cent. We would have to collect

at least that deficit so that we could stay ahead of ourselves in payroll expenses.

**Mr. Hall:** I don't understand the merit of borrowing to do it. The expenses are expenses; they haven't changed, or have they?

**Mr. McDonald:** I'm sorry, sir?

**Mr. Hall:** The expenses haven't changed.

**Mr. McDonald:** Generally speaking, the only expense which has changed is in the size of the portfolio increasing and where we are computerized with the mortgage administration function. There would be an increase in expense in that area.

It was a matter of streamlining the book-keeping system so that we would not come to the Legislature for the total administrative budget. We could handle this by ourselves within the spread of our profit in respect to our borrowing and lending. There were some programmes in which we could not lend at a higher rate than we borrowed. This was the accelerated rental housing programme. We had to set up a mechanism to collect the difference between the negative interest rates.

Being a limited company and being an approved lender under the National Housing Act, we have to file our financial statements with Central Mortgage and Housing Corp. We have to keep it basically in the form of a good balance sheet. This was one of the reasons for picking up the deficit between the negative interest rates of lending.

**Mr. Hall:** Isn't it usually an advantage to know what your revenues are on one side, what your actual interest deficit might be and, separately, what your expenses are? It helps in budgeting from year to year to know what your administrative expenses are. All the process, I would have thought, would be to delineate them so that they could be observed. I gather you don't really show any administrative expenses now unless I'm not looking at the right places.

**Mr. McDonald:** No, we don't. As far as the vote from the Legislature is concerned, we show the \$1.9 million which is the deficit between our interest margins. We do have our operating budgets which we could make available to members of the committee.

**Mr. Hall:** I'm not implying that there is anything out of order here, of course, Mr. McDonald. It's just that in terms of how it's displayed for understanding I was wondering about it. By the same token, the terminology is always a problem, I guess. You have \$1.57 billion, deletion of operating deficit for 1974-



1975. What's your method of deleting a deficit? Just by putting it in a book?

**Mr. McDonald:** It's entered against something. We can make available our financial statements to you.

Last year, put into the estimates of OMC, was a considerable amount of money to pay the operating expenses, to pick up previous year's deficits and to pay to OMC the difference between the lending and borrowing rates. We did not have to use that money because the profitability of the corporation, if you will, was sufficient to use, of all the money put forward for us, only \$950,000 of the total \$5 million allocated to us. The rest was picked up from revenues in the corporation to pay our expenses.

**Mr. Hall:** You mention that some of your lending is deficit lending because of certain types of programmes.

**Mr. McDonald:** Yes, sir.

**Mr. Hall:** Other lending is obviously not deficit lending. What spread on that non-deficit type financing do you have to work with, compared to what you borrow from Treasury at and what you lend at?

**Mr. McDonald:** The Treasury makes available to us a lending rate for a specific quarter each year and for each commitment that we make through our board of directors, the mortgage rate that we charge to the applicant and the borrowing rate from the Treasury during that quarter is fixed together for a five-year period similar to the GIC rate of a trust company. Unfortunately at the present time our HOME interest rate is 9½ per cent, but our borrowing rate from the Treasury is approximately 9.6 per cent—which only gives us .017 of a per cent, which would not pay our expenses properly.

In the last fiscal year of the different programmes that we had, if I could give a general review, the interest in respect to accelerated renting housing projects is an example. The accelerated rental housing projects would all rent at 8 per cent and our borrowings from the Treasury basically were 8.6 to 8.75 and 9.1, so you can see in that programme alone we would average at least 0.5 to 1 per cent deficit of interest.

In respect to the HOME programme, which was at 9½ per cent, similar interest rates would be there from the Treasury. So we would make a spread of 1 per cent in some instances down to about 0.5 per cent.

In respect to the second mortgage programme that we had, integrated community,

it was about a 1¼ per cent spread but it was a very minimal amount. In respect to the OHAP lending on condominiums the spread was more substantial because the interest rate was at 10¼ per cent, when we were borrowing at a rate of 8.6 to 8.75 and 9.1. But in the fall of last year and in the spring of this year the borrowing rate went as high as 9.65, which left a rather bad problem for us on those items that we put through our board during those quarters.

**Mr. Hall:** On page 166 in my breakdown you show disbursements totalling \$221.4 million in each of four categories. Just a couple of questions on that if I may, Mr. Minister.

How many units do you hope to account for in each of the four categories in terms of family unit assistance? Can you say how much each represents in any easy manner for me?

**Mr. McDonald:** Mr. Chairman, so as to not mislead any of the members of the committee, the \$221.4 million represents the cash requirements to finance commitments that we made last year that were unadvanced at the year end, plus new commitments this year. So the relationship between any figures that I might give you for commitments this year would have no relationship to the cash per se of \$221 million.

**Mr. Hall:** All right, putting it another way—forgetting about your cash flow problem and your start-up date which I guess is built into all this. For this kind of money, just roughly how many do you produce for \$99 million on the leased lots, and how much do you produce for the \$44 million on the OHAP and \$64 million on the accelerated rental—and so on and so forth? What sort of units are you getting for this kind of dough?

**Mr. McDonald:** In respect to the \$99 million for HOME, approximately \$33 million of that would be for cash requirements this year against commitments that we make this year. The approximate commitments that would be made this year would be between 4,000 and 4,500 units. The remaining moneys of roughly \$60 million would be required to finance those commitments that we made last year and were not finally occupied and are still under construction.

**Mr. Hall:** Let's put it another way. Supposing this was just the start of the whole deal and in this category you had \$99,663,000, how far could you go with that? How many units?



**Mr. McDonald:** Mr. Chairman, we could not—

**Mr. Hall:** Forty-five hundred?

**Mr. McDonald:** Cash flow and commitment are two different things.

**Mr. Hall:** Forget about cash flow and commitment, this is a one-time shot. You have got \$99 million and you want to assist on some HOME mortgages, are you going to provide money for about 4,500 mortgages? What is the average mortgage?

**Mr. McDonald:** We could make 4,000 to 4,500 commitments.

**Mr. Hall:** Okay.

**Mr. Shore:** You said that on \$33 million.

**Mr. McDonald:** Yes, that's why I was trying to explain, that if you started from a standing start in April and committed 4,000 to 4,500 units based on the availability of serviced land, it would almost be impossible to spend the \$99 million in cash for those commitments because the commitment must be spread over the whole period of time.

**Mr. Hall:** I am not worried about a time frame, Mr. McDonald. I am just thinking that your mortgage is averaging over \$20,000.

**Mr. McDonald:** Yes, about \$22,000 on average last year and this year it is slightly higher.

**Mr. Hall:** And in the same concept, the OHAP ownership, how much does your mortgage average in there?

**Mr. McDonald:** The mortgages would be roughly about \$37,000.

**Mr. Hall:** The mortgage?

**Mr. McDonald:** Yes, individual, because the land and the building are within the same mortgage.

**Mr. Hall:** Right, it is not on leased land?

**Mr. McDonald:** No.

**Mr. Hall:** What is the \$64 million accelerated rental housing going to kick up? I know this is maybe only your portion, but how many units are we going to see as a result of this sort of expenditure?

**Mr. McDonald:** It will be the money necessary to continue to finance 3,500 units that are under construction, plus committing 2,000 more units this year.

**Mr. Shore:** Will they be through this year? Will they be finished this year?

**Mr. McDonald:** The 2,000?

**Mr. Shore:** Yes.

**Mr. McDonald:** No, they will just be started.

**Mr. Shore:** Then you will have to carry over until next year the funding for that.

**Mr. McDonald:** Yes, that's right. It's continuous. For example, on March 31 of last year there was \$160 million of carry-over and we put through our board last year some \$250 million of commitments, in total close to \$400 million, of which we only used \$178 million of cash last year to finance the on-going projects. This year we have the carry-over at March 31, the commitments this year and again a carry-over the following year.

**Mr. Hall:** Just to simplify it again, if you had \$64 million and you wanted to put it into accelerated rental housing units and you weren't worried about the timing of it and the time frame of it, how many units would that sort of mortgage lending produce for you?

**Mr. McDonald:** About 2,500 to 2,800 units.

**Mr. Hall:** Similarly on the preferred lending, you have got a little under \$14 million there.

**Mr. McDonald:** It would produce approximately 375 units.

**Mr. Hall:** I am interested in the accelerated rental housing because it seems to me to be a very good opportunity to encourage industry to get into the field of rental units and avoid problems around Aug. 2, 1977, when rent review will no longer be on the books.

**Mr. Shore:** Did you hear that, Mr. Cassidy?

**Mr. Hall:** I only go by present legislation.

**Mr. Cassidy:** I see.

**Mr. Hall:** How is the budget set that you have decided on \$64 million? How much encouragement is being offered to get people to use this vehicle to produce more units? I wonder if I could get more of a feeling as to how we have arrived at this number at this time and whether that's the maximum number or whether it's as far as you wish to go, or what?



**Mr. McDonald:** Of the \$64 million in the budget, \$45 million of that money is required to finance commitments that we made last year where it is still under construction. The additional \$19 million is used to cash flow \$50 million of commitments we hope to make during the calendar year between April 1, 1976, and March 31, 1977. Against that \$50 million of commitment for approximately 2,000 units, we estimate the cash flow would be about \$19 million in cash to finance those commitments.

**Mr. Hall:** Why 2,000 units? Why not 15,000 units or 10,000 or 7,000? How do you arrive at those numbers?

[4:45]

**Mr. McDonald:** Mr. Chairman, I would have to defer to the minister as it's a policy statement.

**Mr. Hall:** I would be interested in hearing the minister's response as to why you select 2,000 units as the new programme for accelerated rental housing this year at a time when such accommodation is very important. Why 2,000? Why the money for 2,000? Why not 7,000 or 15,000?

**Mr. Shore:** We should ship everybody to London. We've got lots of vacancies there.

**Hon. Mr. Rhodes:** I suppose it's the availability of cash. It's probably the big reason.

**Mr. Hall:** You say the availability of cash. Your cash sources have always been available. It's the Treasurer who borrows and lends to the Ontario Mortgage Corp. and the Ontario Mortgage Corp. puts it out. Is that correct?

**Hon. Mr. Rhodes:** Yes.

**Mr. Hall:** This money returns a rate of interest so it's not necessarily an expense. It's going to get paid back. Has there been any—I really feel this does offer hope to create more units in a very important area. I'm wondering how you struck this particular level.

**Hon. Mr. Rhodes:** First of all, Mr. Hall, you will agree that what we do is going to be controlled fairly well by what sort of response we get to the call to construct those particular units. We've had the calls out. What do we expect? About 1,500 units in the response?

**Mr. McDonald:** It's 1,500 to 2,000 now.

**Hon. Mr. Rhodes:** We're probably going to have to call again. You are well aware of the fact that there are many people who are not looking with a great deal of favour on constructing the rental accommodation. We can't force people to build them. We only hope they will take advantage of the opportunity to build them under the terms being offered.

**Mr. Hall:** Why aren't they interested? I'd like to hear why you think they're not interested. Is it kind of an unattractive business? I want an answer.

**Hon. Mr. Rhodes:** I think in the last number of months we've found that the feeling among many of the builders is that it is not a desirable market to go into for reasons which, I think, got buried, not the least of which from what I've been told, is their concern about the continuation of a reasonable return as a result of rent review.

**Mr. Hall:** Are any special efforts being made at this particular period of time with the cloud of shortages and rent review on the horizon? Is there any particular special effort being made this year to induce more to get into this field?

**Hon. Mr. Rhodes:** Not any more than we already have done, to get into more community-sponsored houses which is what we've been talking about.

**Mr. Hall:** You haven't had any particular missions? You haven't used your own particular charm or anything like that on any large groups?

**Hon. Mr. Rhodes:** It won't work. Charm works beautifully—

**Mr. Hall:** As long as the bank—

**Hon. Mr. Rhodes:** As long as the bank holds out. I should mention, too, that we have the federal calls going out at the same time; the federal programme for accelerated rentals.

**Mr. Hall:** How are they playing it?

**Hon. Mr. Rhodes:** I don't know.

**Mr. McDonald:** The provincial programme has a 50-year amortization period with a 15-year term at eight per cent, whereas the federal programme, with the private entrepreneur, merely writes the interest down from the private lenders' interest rate to eight per cent. Secured against the property would be a second mortgage, which the en-



trepreneur builder would have to come to grips with at some time. He can use the second mortgage and the depreciation allowance—the interest on the same—as a tax write-off against this corporation, but unless he has other business which is taxable, he would not favourably look on that type of programme because his loss position would continue to be a loss position and he could not write off his depreciation and tax accounts against other revenue.

**Mr. Shore:** It's considered less attractive.

**Mr. McDonald:** That's right. The very large builder with other cash problems or tax problems might be into that, but most of those builders are building in other programmes. They are not in this type of construction. That's the basic difference, though. Ours is a straight loan at eight per cent. The federal programme is a write-down of interest from the now current interest rate of 11½ per cent, down to eight per cent—but it is secured. The difference is secured by a second mortgage, which one has to come to grips with at some time down the line—and most of the builders are not finding this too attractive.

**Hon. Mr. Rhodes:** Mr. Hall, there is one point I would like to make. We talked about 1,500 to 2,000 units. Part of the problem that we have run into is that we've had offers to go for more than that. But there are two problems. One is that they come in at a pretty high price. Secondly, we get into the type of accommodation that's been proposed.

For example, Mr. McDonald can tell you that we had quite a number of proposals for one-bedroom facilities. Although there is a certain demand for that type, it really does not meet—I think you would agree—what our real needs are, which are probably for two-bedroom and three-bedroom facilities. So we've had to assess those proposals on the market we are trying to meet. We could probably build a whole raft of one-bedroom units, but whether or not—Have you got the figures there?

**Mr. McDonald:** In our call that we had, Mr. Chairman, Mr. Cassidy asked the question at one of the earlier meetings about the distribution between bedroom counts. We received approximately 3,392 units in the proposal call, which represented roughly \$94 million. Of those units, 340, or 10 per cent, were bachelors; 1,112, or 32 per cent, were one-bedroom; 1,566, or 46 per cent, were two bedrooms; 358, or 10.5 per cent, were three bedrooms; and 16 units, or half a per cent, were four bedrooms. This was signi-

ficantly different than the calls of last year, when we didn't receive as many bachelors or one-bedroom units, so that the product mix is changing. We are looking for twos, threes and fours, rather than twos, ones and bachelors.

**Mr. Shore:** Don't you try to establish market desire, and therefore the mix that you think you need, as opposed to waiting for somebody to submit their tender?

**Mr. McDonald:** Yes, we try to arrive at areas—

**Mr. Shore:** Specifications or anything like that?

**Mr. McDonald:** In the proposal call, Mr. Chairman, we are most anxious to get builders to propose. So we advertise throughout the whole of the province asking for any proposal, particularly for family accommodation—and family accommodation usually means two-plus.

A lot of builders have taken the liberty to put in other proposals, other than that. We might look at the one-bedroom units for, say, downtown Toronto, where there are some one-bedroom accommodations needed. But when you get to downtown London or other places, the one-bedroom units would not be needed, and that would be one of their criteria in judging our needs—where we are going to put our money.

**Mr. Hall:** Ultimately, they are responsible though. They're getting the funding from it, but they are ultimately responsible, though, and sometimes end up as owners.

**Mr. McDonald:** That's correct.

**Mr. Hall:** It gets to be a little risky for them if they go too heavily on the bachelors and the one-bedroom units, I would think if they don't read the market right for the future.

**Mr. McDonald:** Mr. Chairman, what I've found in the accelerated rental housing call of last year, was that the units that were offered to us were peripheral land units, perhaps not able to be put into condominiums. So the thought of most of the builders to be entrepreneurs in the rental business basically wasn't there. It was that a specific builder might have felt that condominium units in a certain area wouldn't sell—therefore he wanted to unload the land; therefore he should get into the rental business. But we are trying to get family units throughout the province and we hope that after our examination, which should finish at the end



of next week, we'll be able to commit the necessary units within the next month.

**Mr. Hall:** Is there some upper price limit at which you have a cutoff point? Has the cost-price squeeze been partly the reason they're reducing the number of better units per proposal? If that's the case is there any thought of modifying that upper limit?

**Mr. McDonald:** No, Mr. Chairman. Most of the proposals that have come in are based on the zoning of land in local communities and the availability to the builder's portfolio of land on which he can build on those properties.

We give them only guidance that we want the family units. We don't give them guidance that there should be so many units in a certain area, because we're interested in getting all of the proposals possible, so that we can get the best selection—

**Mr. Hall:** There's no cost ceiling that you attach for construction?

**Mr. McDonald:** There is a cost ceiling attached, Mr. Chairman, based on the fact that we are looking for accommodation, we are giving eight per cent mortgage money and we would think that at that rate the rents, when the projects come on stream, must be below market value of rents in those specific areas. We are in competition with rental accommodation of present units or units that are being financed under new construction at 11¾ per cent. So if the rental units based on their cost of construction are not substantially or reasonably below the market level, we don't think it's a very good deal for him or for us.

**Mr. Hall:** I can understand that those are its outer limits, but maybe there is some area of adjustment in your cost requirements which would permit an upgrading to a two-bedroom unit over a one-bedroom unit. It might turn out to be a good investment on the part of the government, that's what I was wondering.

**Mr. McDonald:** Usually, Mr. Chairman, on the larger projects—one can be cited as an example. It was 128 units, all two-bedroom, and our appraisers would appraise it on a net footage basis or net cost basis. We are negotiating with the builder now to see that if he could change some to one-bedroom and some to three, using the same floor area and maintaining the same apartment count. This is being done and has been done in the past and this helps the product mix and helps the cost.

**Mr. Hall:** One question further. Mr. Minister, you are probably getting a little tired of me referring to the programme review.

**Hon. Mr. Rhodes:** Not at all.

**Mr. Hall:** Good. One item here says that with respect to the involvement of the Ministry of Housing in moderate income housing, the committee recommends that—and it's under item 11-27:

In view of the introduction of tax credits to offset interest charges over 10¼ per cent on mortgages, the Ministry of Housing phased down its low-interest financing of housing starts through HOME and the Ontario Housing Action Programme, while seeking firm commitments for increased support from lending institutions through the private sector.

This first supposition, in view of the introduction, was obviously premature on the part of the writers of the programme. Is this correct, Mr. Minister? Is this therefore safe to assume, in view of that erroneous supposition, that you're not really attempting to phase down your interest in the financing of low-interest housing starts?

**Hon. Mr. Rhodes:** No, I think we're attempting to phase it down. But again, we go back to the availability of capital for constructing the number of units you're referring to.

**Mr. Hall:** Are you seeking any firm commitments from lending institutions for increased support, over and above what was the case as of last summer? How successful are you?

[5:00]

**Mr. McDonald:** Mr. Chairman, we're in continuous contact with the private lenders. There seems to be a rather large amount of money available in the marketplace for mortgage financing this year. The rates are extremely high.

In respect to the support we received last year from the private lenders in our interest subsidy programme, which I think was part of the question, the private lenders put forward \$160 million for approximately 4,200 units. The province subsidized the owner through the lender for the difference between the lender's interest rate and the 10¼ per cent. As far as the money this year is concerned, with the increase in the Bank of Canada rate some time ago and the escalation of interest rates there is lots of money around but builders in general are



not picking up their block financing as fast as they normally do in the spring because of the condition of the market.

**Mr. Hall:** What sort of interest rates are you hearing about? You say there is lots of it around but it's at a high rate. Is this in excess of 11½ per cent?

**Mr. McDonald:** Yes, sir. The rates basically are between 11½ and 12¼ per cent, depending upon the risk, the type of construction and the location throughout the province.

**Mr. Hall:** Of course, you are not directly taking the risk; you are just encouraging them to participate so the government's umbrella is not present for them. Is this right?

**Mr. McDonald:** That's right. As part of the job of Ontario Mortgage Corp. we try to keep in contact with major lenders—whether they are chartered banks, trust companies or insurance companies—to ensure that we know what is going on in the marketplace; what the availability of capital is; what the interest rates are; what activities they are entering into; and where they see a firmness or a softness in the marketplace.

At the present time, there seems to be ample capital available under certain terms and conditions but we are not sure at what rate the private builder is picking up this capital in respect to the marketplace.

**Mr. Hall:** However, it was my understanding from discussions with the Treasurer in public accounts two or three weeks ago—I thought he said they were borrowing at 10.11 per cent but you have mentioned 9.6, I believe. Earlier, when I asked the minister about how you arrived at \$64 million as the number, his first response was that it was primarily because of the availability of money. Then he got into the question of trying to get the right mix of units for the right total cost and rental rate in an area. I am still trying to sort out whether we have a money problem here or whether we don't have a money problem.

**Mr. McDonald:** I think that—

**Mr. Hall:** The 9.6 per cent or 10.11 per cent is a lot better than 11½ to 12¼. I gather the government can obtain lots of money at that rate. Is this not your information?

**Mr. McDonald:** I believe the total financial base of the province is based on the inflow of cash through taxation and borrowing in the marketplace. The Treasurer did state in his budget that he didn't want us, save and except Hydro, to go to the marketplace for borrowings in this fiscal year with respect to his whole restraint programme. In the ministry we felt we were very fortunate to receive \$221 million in the Mortgage Corp. to finance our ongoing projects and to be able to commit an additional \$200 million this year in commitments within the overall constraints of the government.

**Mr. Hall:** On that sort of borrowing, the whole amount of money is going to be paid back and the expense portion of it would end up as an expense in the government budget which is only, maybe, one per cent or so of it, interest rate?

**Mr. McDonald:** I would think that of the accelerated rental housing, one per cent of the interest rate would be the expense item. But for the general borrowing of the government, no matter whether it is for Hydro or for roads or for housing, we still have to go to the marketplace. The total borrowings in any given year plus the moneys they have outstanding in bonds would represent their credit rating in the marketplace. From reading the information in the past several months that the Treasurer stated to the Legislature, he was trying to restrain himself from borrowing any more than he had to.

**Mr. Hall:** The purpose of the borrowing should make some difference though. I am only concerned at this juncture with the Ministry of Housing. I am concerned about the shortage of rental units and I am concerned about what's going to happen in 1977. I want to encourage the minister on his part to do everything possible to defuse what is coming up to be a crisis situation in 1977 unless some changes are taken. I won't belabour the point but I do feel that money for that purpose might have a healthier effect on our economy overall at some minor expense to the government than money spent in other areas because of the fact that it would be assistance in keeping inflation down as it affects the cost of housing accommodation for people. That's all I have to say on that particular point.

**Mr. Shore:** I don't want to belabour it either but my point relates to what Mr. Hall has said: Is the reason you have only got some \$207 million in here because of your alleged statement that it's a money situation,



because I would like to argue that point for a moment, or is it because there are no builders available to put projects together for you? I think that's the significant issue to me. If you had \$400 million as opposed to \$200 million, the actual cost to the Province of Ontario is quite insignificant relative to a \$12-billion budget. On balance you are charging out roughly what you are getting in, give or take something—I don't know what it is but it is insignificant.

I think there's a great deal of the truth to the other observation of the minister. He doesn't want to discuss it too much too often but the other issue is whether there is the building industry available purportedly to put up the housing that's needed. I am not even so sure they are needed, as I even have trouble with that aspect of the thing, but I would like to know which is the reason. Did the Treasurer (Mr. McKeough) give you a bill of goods and say that's all you are going to be allocated and therefore you are doing the best you can with it—and I could even argue that—or are you, as a ministry, satisfied that that's all you can use and that's all you can build in this year. I think those are the critical two points.

**Hon. Mr. Rhodes:** I think both of the points are contributing factors.

**Mr. Shore:** I would like to hear your rationale as minister. Forget the Treasurer for a minute. If you think that \$300 million would have been better for your ministry than \$200 million, I would like to hear why you let the Treasurer convince you otherwise when that extra \$100 million really is an insignificant amount of money to the treasury and the general revenue disbursements of the province.

**Mr. McDonald:** As far as rental housing as such, I don't think we could get any more applications in than we got in, based on the condition of the market, based on construction costs and based on municipal zoning. With all the problems entailed in lower rental housing, we were fortunate to receive \$94 million of proposals. This compares to last year's proposal calls of perhaps \$150 million with excellent prices and a good product mix. I think one aspect of it is, and it has been quoted to me, rent review. There are a lot of other things but in general—

**Mr. Shore:** I would like to hear some of the lot of other things.

**Mr. McDonald:** First of all, they don't want to have five to 7.5 per cent return on their investment, which is really all they are

allowed on a limited dividend project, irrespective of write-offs for depreciation allowance.

**Mr. Shore:** I will tell you there are some landlords right now that would be happy with five to 7.5 per cent return on their investment.

**Mr. McDonald:** Mr. Chairman, I would agree with that and I think that some of the builders in the programme are being optimistic that they can arrive at these returns when it comes on stream.

Two, many of the builders with rental housing have had significant—

**Mr. Shore:** Too bad Cassidy isn't here right now.

**Mr. McDonald:** —have had significant problems in rezoning applications and getting building permits with municipalities for this type of housing. Last year in our calls we actually committed through our board almost \$20 million for which people couldn't get municipal building permits—permits to build those units which were badly needed throughout Ontario. In fact, for one project in Whitby not included in the \$20 million it took the builder almost 8½ months in order to get his building permit to build the units.

In some municipalities, because 25 per cent of the units are to be made available to OHC for rent supplement, they will not allow the builders to build because they have municipal bylaws and regulations which preclude the development of this type of housing. So those are some of the problems.

**Mr. Shore:** Right, I appreciate that. But just on the three points that you have brought out, all of them appear to me to be somewhat controllable. If you establish the concept and establish the feeling that there is a need for 4,000 instead of 22,000—I don't know, I have to accept your word on it. Assuming that you think, in your professional wisdom, that we could use 4,000, it seems to me that the reasons you're giving for not having them are all potentially controllable items.

For example, you can't find builders who are satisfied with five to seven and half per cent. Assuming that is a rational reason, is it not also rational therefore that somebody changes that rule so that they are allowed 10 per cent return. Is that not a possibility?

**Mr. McDonald:** It depends, Mr. Chairman. It would depend upon whether the end rent in a certain locality would be below the market in that area in order to have an eight



per cent mortgage made available to that builder.

In the case of London, the rents per se are generally lower—

**Mr. Shore:** Right on.

**Mr. McDonald:** —than in the rest of the province. Therefore, with the cost of construction today as compared to the longevity of units in the London area—

**Mr. Shore:** The marketplace won't allow it.

**Mr. McDonald:** The marketplace would not allow a builder to get a fair return, because he couldn't rent his units. Therefore it would be impractical to put a rental project of 200 units in London at an average per-unit cost between \$25,000 and \$28,000 with underground parking, when the end rent two years from now would be \$50 to \$75 more than the rent in the market. It would be impossible.

**Mr. Hall:** Are you doing an accurate forecast of what the market will be in the absence of rent review a year and a half from now?

**Mr. McDonald:** Yes, I think so in the case of London.

**Mr. Shore:** That's one of the problems of the damned universality of the whole—

**Mr. McDonald:** Mr. Chairman, if you're looking at the whole of the province, there are a great many different reasons in the marketplace. Generally speaking though, the reasons that I gave before are some of the general reasons that builders are not interested or are not active in this area.

**Mr. Shore:** I hate to put it on the record, but I really don't. It seems to me that, although there is a housing problem and there was one before rent review, I'm quite satisfied, despite what anybody wants to argue and even though Mr. Rhodes isn't prepared to say it too publicly, I really am convinced that instead of helping the housing problem, it's seriously aggravated the god-damn thing.

**Hon. Mr. Rhodes:** Mr. Shore, I'm not afraid to put that on the record. I've already said that, because I think the evidence is in—

**Mr. Shore:** Right.

**Hon. Mr. Rhodes:** —that that is happening. I don't say it is the sole reason but it certainly contributes.

**Mr. Shore:** And really it's sad for the people who need housing and—

**Hon. Mr. Rhodes:** There is no question in my mind, the marketplace can handle the situation. Mind you, you know and I know—

**Mr. Shore:** Well, why don't you—I'm not in your position. If I was in your position, I would be going around the province publicizing that and gambling my next election on it. Give me a chance to do that.

**Hon. Mr. Rhodes:** You know and I know.

**Mr. Shore:** Handleman and you and the Premier and anybody else should be—

**Hon. Mr. Rhodes:** You had that chance the last election but you decided to go the other way.

[5:15]

**Mr. Shore:** I didn't decide to go any way.

**Mr. Riddell:** No; but there's quite a difference between what you brought in and what we were advocating.

**Hon. Mr. Rhodes:** Let's just understand something right now.

**Mr. Shore:** I don't want to—

**Hon. Mr. Rhodes:** Well, I do. I don't want to blame anybody but I dang well don't want to sit here and listen to what Mr. Riddell is saying, which is not true. Mr. Riddell may have been saying something in his riding but I know it was happening and so do you know it was happening in this very area of Toronto. There was a lot of baloney put out in newspapers in this town supposedly reflecting the true situation from border to border of this province. It came out of representatives of your party and it came out of representatives of the New Democratic Party—

**Mr. Shore:** And from your party.

**Hon. Mr. Rhodes:** —and from our party as well.

**Mr. Shore:** I don't want to go into the history.

**Hon. Mr. Rhodes:** Let's not go running around with a halo on; not at all.

**Mr. Shore:** No, I haven't got any.

**Mr. Riddell:** But there is a difference between rent review and rent control.



**Hon. Mr. Rhodes:** We have rent review today.

**Mr. Shore:** We shouldn't have that; we should have rent control.

**Mr. Riddell:** You've come in with a far stricter bill than we ever anticipated you would.

**Hon. Mr. Rhodes:** You had every opportunity in the course of the debate to suggest a change.

**Mr. Riddell:** Who did? Who made most of the amendments? Wasn't it the Liberal Party that suggested a lot of the amendments?

**Mr. Shore:** Can I say this—

**Hon. Mr. Rhodes:** May I just point out something about a number of the amendments the Liberal Party made, if we're going to start getting real partisan about it all. Moving the whole thing back to take in single units—that was one of your fine amendments; I remember that one very well. When the original bill came in it was nothing less than four; that was an excellent one.

**Mr. Shore:** Let me say that was about as excellent as your suggestion there should not be any consideration given to the people who have money invested, just like the Minister of Consumer and Commercial Relations said the other night.

**Hon. Mr. Rhodes:** You also went to rooming houses; that was another excellent amendment you brought on. You also supported, right down the line, rent review for Ontario Housing Corp. housing units.

**Mr. Shore:** Mr. Chairman, he's out of order.

**Hon. Mr. Rhodes:** That was another excellent amendment. I want you to write them all down and receive all the credit you deserve for them.

**Mr. Shore:** Right. I've still got the floor, I think. If I could be non-partisan for a moment—I know it's hard for John to be non-partisan—

**Hon. Mr. Rhodes:** No, it isn't but I can be partisan if necessary.

**Mr. Shore:** Right; very good. It's not necessary right now as far as I'm concerned. I believe that if you truly believe—and I think you do—what you're saying, without getting into what Riddell might have said

in Exeter or wherever the hell he said it and what you probably said in one place and what I might have said, too—as I choked on it while I was saying it—we're sitting here in May, 1976; if you truly believe, with your professional advisers that there are some serious problems here all I'm suggesting to you is you're in the position, better than anybody else—that's one of the privileges of being in government; you get the good with the bad—I'm saying you're in the fortunate position, if you truly believe what you're saying, to go around preaching it and letting the world know what you're saying. Forget what Jack Riddell might say or might not say; that's what I'm saying. We all married ourselves to a piece of junk, I admit that.

**Hon. Mr. Rhodes:** I think I have said around this province on a number of occasions, and I say here, there's no question in my mind at all that rent review is contributing to the very drastic decline in the production of rental accommodation in this province. There is just no doubt about that. You can simply go and talk to the people who are in the business of providing that accommodation and that's exactly what they'll tell you. No doubt about that at all.

I have said that outside of this room and in other forums. I can tell you don't for a minute assume that the matter of rent review is not going to be a very high profile matter the next time we all trot off to our respective ridings. I can assure you that our good friends from the New Democratic Party are going to beat that dead horse into oblivion.

**Mr. Riddell:** Let them beat it. What would the people sooner have—housing or these controls?

**Mr. Warner:** I didn't realize rent control was under this vote but since we're on that certainly it's going to be an issue. Tenants are very happy that there's some form of rent review. They're unhappy that it's going to end a year from now—a year and a month—because it's afforded them one protection they never had. You're absolutely right that this government wasn't making sure housing was produced before rent review came in, and you're right that they're not doing anything now. I realize all that. That's your problem. It's in your ball park and you're not doing anything about it, or very little about it, despite the minister's personal control of what's going on in the ministry. The minister is a very able minis-



ter. He understands his ministry and he tries to make it work well. I know that, I understand that and I appreciate that. Yet, despite that, we have a housing problem in this province.

**Hon. Mr. Rhodes:** No, that is absolutely untrue. There is no housing shortage in this province.

**Mr. Warner:** There is no housing shortage in this province?

**Hon. Mr. Rhodes:** No, there is not.

**Mr. Warner:** Okay, I see. You interpret it differently.

**Hon. Mr. Rhodes:** We may be short of free housing which you'd be happy with but there is no shortage of housing.

**Mr. Warner:** There is a shortage of housing which people can afford to purchase, if you want to put it in those terms. There is no question about that.

If I may be permitted to make remarks related exactly to this vote, I would wonder if the minister would comment on what role, if any, he would see in the mortgage business, to put it in those loose terms, of the Ontario Credit Union League or any credit unions?

**Hon. Mr. Rhodes:** They're recognized lenders. There is no reason in the world why they cannot be in that field.

**Mr. Warner:** There isn't?

**Hon. Mr. Rhodes:** In some cases, there are credit unions already in it.

**Mr. Warner:** Is it your understanding that the Credit Union League approached the government on several occasions to do simply a turnover role, to turn whatever money the government could obtain on the market directly into the housing market; in other words taking away that role that trust companies and banks have played with their higher mortgage rates—I guess they're around 11.75 and 11.5—and having the credit union supply the mortgages at probably two points lower than that because they would simply be turning it over and, I gather, adding one-half to three-quarters per cent as bookkeeping charges, maintenance charges or whatever, but that that kind of overture had been spurned by the government?

**Mr. McDonald:** I don't know about the overture but in the interest subsidy programme where we asked private lenders to

come into the marketplace, we discussed with the Caisse Populaire and the Credit Union Association of Ontario their participation in the programme. Only one credit union, the Haldimand-Norfolk Credit Union came into the programme. In respect to turning over money to the credit unions to re-finance, this has not come to my attention. If it did come about, three-eighths of one per cent would be more than adequate to cover their costs of administration. But they themselves are borrowing in the marketplace and are lending at basically the same rate of interest as do the banks, the trust companies and the assurance companies.

**Mr. Warner:** Would the minister be interested if the credit unions—I'm thinking of the league itself rather than an individual credit union—could say to him categorically that they could offer mortgages at substantially lower rates than bank and trust companies for the purposes of housing? Would he entertain sitting down with them and discussing that possibility and looking at it very seriously because it seems to me to be a way actually of getting at lower mortgages which is one part only, I admit, of the higher cost of housing.

**Hon. Mr. Rhodes:** We're prepared to sit down and discuss that situation with anyone. One of the things I have found about credit unions—not the league, I'm talking about individual credit unions that I've spoken to—is that they are interested in getting into co-operative housing. They have an interest in this area. I've spoken to maybe eight or 10 different credit unions which indicated an interest in this area, but so far that's all. It's just an interest. I have suggested to them that if they do have an interest then we'd be quite happy to sit down and discuss what their thoughts were on the matter. The league situation is one which we'd be very happy to sit down and discuss.

**Mr. Warner:** I got the impression, quite frankly, that what you mentioned applied to the league. I met with some of the directors from the league and this was the impression I got from them. They're willing to follow it up. I know they'd be quite happy and I certainly would be, because I think it's obviously one of the contributing factors to higher housing costs. In the interests of time, Mr. Chairman, I'll pass.

**Mr. Hall:** I started this rhubarb in connection with rent review. I have never, throughout the long history of this session, the 1976 estimates, taken a partisan stance on this matter. But I've tried to point out that



we're coming to a problem—and have done so, hopefully, in a constructive manner. I fear we will face bad results unless steps are taken, with a year to a year and a half lead time, before Aug. 1, 1977.

I think I've read it into the record that even the New Democratic Party, or some of their people, have spoken out in the Kitchener area and said that so far the cure has been far worse than the disease.

Regardless of what went on in the past, my intent is to find out how the members of this Legislature can dig their way out of this hole; not for partisan reasons, but purely for the reasons of solving what is a massive problem for the people of the Province of Ontario.

**Mr. Chairman:** Item agreed to. On item 4.

**Mr. Hall:** It would seem according to the notes on page 168, that you're providing expertise to the Ministry of Government Services, as an explanation of your costs for this land co-ordination function. Is that a fair statement? Because Government Services essentially owns the land—is this correct?

**Hon. Mr. Rhodes:** No, not really in this particular item, Mr. Hall.

**Mr. Hall:** Not in that; the main thrust is assistance to municipalities—is it?

**Hon. Mr. Rhodes:** Yes, to assist them to develop land within their boundaries, through acquisition themselves. Or, as in one or two cases, where we are letting them make the acquisition and we, in turn, would be acquiring it from them.

**Mr. Hall:** For what uses? It is not for a senior citizens' housing site, for example?

**Hon. Mr. Rhodes:** No, the larger acreages—I think, for example, the acreage I gave you earlier. There are 150-some acres in my own municipality where that's exactly what's happening. It has been put together by the municipality and we hope to be able to develop some of it for home projects, plus money that they themselves would want to expend.

**Mr. Hall:** With the Metro Toronto Housing Co., would you be giving them assistance or not to develop their programmes?

**Hon. Mr. Rhodes:** No, it would be Metro itself, the corporation that would make the allocation. It's all federal money, really. It is just funded through us. We, in conjunction with the P&LC, determine which of the municipalities should have the funding; and a certain amount of the funding is retained

for the purchase of sites for family and senior citizen housing. But, just as an example, we had \$18,280,000 that we've made available to a variety of municipalities, ranging from \$4,500,000 for Metro Toronto to \$120,000 for Deep River. It varied for a number of municipalities. It was \$2,750,000 for Elliot Lake, for example, where there is a boom on right now and they need land and they need housing to meet their requirements.

**Mr. Hall:** I don't want to take too much time on it, but in your programme explanation, item 4 touched on this—co-ordinating acquisition of land for the Ministry of Government Services for housing development programmes. I really don't understand—there seems to be so many other people involved in this thing. Why are they involved in it?

**Hon. Mr. Rhodes:** I'll let Mr. Riggs explain it.

[5:30]

**Mr. Riggs:** The minister indicated, Mr. Hall, that there was a review of the organization going on. When the responsibility was handed over to MGS for all the acquisition of lands not only for OHC but other government ministries, we set up a liaison officer responsible for determining the terms of reference of each piece of land OHC may need, rather than having MGS deal with rental housing for families one day and the next day dealing with someone else on senior citizens and the next day dealing with a piece of HOME land at the request of a municipality. In order to set terms of reference for ongoing liaison—because at any time there are 60 or 70 requests in MGS for realty surveys and each one of these realty surveys requires a term of reference—we have established that one of his functions is to have one central person in the ministry responsible for this co-ordination and not five or six.

**Mr. Hall:** Really, it seems to me my earlier statement that you are providing expertise is not too far off, because you are setting out the terms of reference for different acquisitions that have been made by this other ministry.

**Hon. Mr. Rhodes:** I think perhaps rather than supplying, say, expertise it is more or less to assist them in the co-ordinating of their programmes.

**Mr. Hall:** Item 5, to co-ordinate and ensure the financing of land acquisition for housing development with the Treasurer of Ontario and CMHC. The big branch of your ministry



handles that financing is, of course, Ontario Mortgage Corp. Again, here you have another liaison it seems to me. Is there no duplication here?

**Mr. Riggs:** No. Basically this function relates to section 42 of the National Housing Act. The terms of reference of each agreement on any lands which we are developing do alter from agreement to agreement. Once again, in order to ensure one central liaison point—and it is mainly with CMHC rather than the Treasurer of Ontario—we utilize this particular director of this branch to do this for the entire ministry and OHC.

**Mr. Hall:** One brief question: What special projects for the ministry in the housing field are ongoing? They are listed as item 6 here. Other than all the other projects we have talked about already.

**Mr. Riggs:** The director of this branch is our liaison officer with Syncrude at Fort McMurray and has been giving expertise to that particular community.

There are a number of projects up north, one being at Hornepayne, where we are trying to develop a new kind of mall centre, so that some of the difficulties of living in the north could be moderated by having all the facilities such as a school, senior citizens, commercial, under a covered area. These are some of the special projects that this particular director has been responsible for.

**Mr. Hall:** You mentioned Syncrude. Are you providing housing advice to the new corporation that is developing the tar sands? Is this what you are doing?

**Hon. Mr. Rhodes:** Yes.

**Mr. Hall:** At their request, I assume. You don't have any stake in the housing itself, do you?

**Hon. Mr. Rhodes:** No, but the province has a stake in the total Syncrude operation and they had asked for some expertise and it was made available.

**Mr. Hall:** Do you charge them for that advice?

**Hon. Mr. Rhodes:** No, we don't charge it to them; it is part of Ontario's contribution.

**Mr. Hall:** The Ontario contribution was \$100 million, wasn't it?

**Hon. Mr. Rhodes:** I am not sure whether we charge them or not. I had better find out.

**Mr. Hall:** It seems it would be a good place to send a bill.

Just for my information—it may have been stated before. What is the theory behind the fairly recent consolidation of all land in the Ministry of Government Services? There is a rationale for it — am sure and this is what has happened, is this correct?

**Hon. Mr. Rhodes:** I think it's to have one agency of government doing the purchasing of the land. You get uniform procedures when we are buying land for Ontario Housing purposes and what have you, when the expertise is in the one area. If you are buying land in Thunder Bay you are using the same procedure as if you are buying it in Kingston.

**Mr. Hall:** Having taken that step, there may be some redundancy in other staff situations which were formerly needed, such as the land acquisition branch of the Ontario Housing Corp. Is this part of the structural review you are looking at?

**Hon. Mr. Rhodes:** They were all transferred to MGS. Any reduction of staff required there will be up to them to handle. Another thing, too, is it better to have one ministry doing that? If you have a combined project going on involving a couple of ministries it is better that the land acquisitions be done by one ministry on behalf of the two, rather than have two ministries in there trying to buy a portion of the same piece of land.

**Mr. Hall:** In some respects it may be. It removes it from the field of housing and, therefore, the scope of my criticism a little more directly. I have spent several months trying to understand the present minister and I don't know the other minister at all.

**Mr. Chairman:** Item 4 carried. On item 5.

**Mr. Johnson:** Mr. Chairman, on a point of order, since you were absent at the last meeting, a commitment was made by this committee that we would have one more meeting, which was to have been held Friday but was adjourned until today, and that the Ministry of Housing would be through. That gives us 20 minutes to finish this vote and the next vote.

**Mr. Hall:** That's correct; there was some commitment.

**Mr. Warner:** That's fine. I have one small item to raise on this one and I am willing to pass the remainder. It is obvious there



has been a great deal of time spent on these estimates and a lot of answers given, not necessarily on a philosophical level but certainly on the items, the amounts and so on.

It is in that vein that I am looking for some response. Under this particular vote is \$300,000 for advisory support, management and development assistance to non-profit groups. It is my understanding that there was a larger amount placed in the budget for 1974-1975 of \$500,000 and that none of it was spent. Similarly, in 1975's estimates there was \$300,000.

If that is actually the case, I would like some explanation as to why it was not spent. I understand the purpose of it to be that of serving resource groups involved with non-profit housing, to supply some of the management expertise required and so on.

**Mr. Riggs:** First of all, I have to go back in time. There was an advisory committee formed in 1974. That advisory committee is still in being. I think the other items the advisory committee identified as being problems, or as being better solutions to the federal non-profit programme, have basically been resolved. The one outstanding item for which there have been some funds spent—not a great deal; I think that has been discussed before—is the sector support one. We have been attempting to do two things, one of which was to arrive at a sector support programme which is viable; that will allow the sector support groups to become independent eventually, because that happens to be what they want to do. I think the latest book is called, "People do it all the time." If you haven't read it, I think it's well worth reading; it's about co-ops.

**Hon. Mr. Rhodes:** We are talking about co-ops?

**Mr. Riggs:** Co-ops and non-profit.

**Hon. Mr. Rhodes:** This is not the social policy field.

**Mr. Warner:** Do they also indicate there should be a change in ministry?

**Mr. Riggs:** They also recommended that any funds for sector support should eventually be diminished to the point where sector support is capable of funding on its own from the very groups it services.

Turning to the first part of your question concerning whether we spent any money at all—there have been three grants made by the ministry. One was to the Ontario Habitat Foundation, about \$20,000; one was to the Labour Council, about \$5,700; another

one was to the city of Toronto, I believe, for about \$16,000. In terms of commitments, some of the studies undertaken by these three groups have not been completed and therefore the funds have not cash-flowed.

The second part of this is more difficult to answer simply. We, in the advisory committee in Central Mortgage, for about a year and a half have been struggling with great deal of dialogue to come up with a sector support programme which would meet government requirements—both governments not just the provincial government—and the advisory committee requirement, and I think we have now. That is not to say that the \$300,000 would even be fully committed this year but we hope so.

This policy has been reviewed by the minister and he may wish to speak to it further. It is now going forward to CCRD for their review.

Essentially the kind of proposal—and I'll only do it in rough—is something along these lines: Any resource group could apply for initial funding. The resource group would have to identify its objectives; it would have to be a non-profit group and it would have to give some indication of its production targets. Otherwise there would be some market research to see whether or not there were sufficient non-profit groups already in that area or the makings of non-profit groups which would provide some housing.

From that, once they have established that, they would be eligible for a first-year grant which would be based upon their own budget and their own housing production which would produce a revenue. I believe—David Peters has somewhat better knowledge than I have of this—CMHC and ourselves, the province, would share in that budget. CMHC is prepared to make development fees and property management fees available to these groups so that they could eventually become self-funding.

We would see, once this programme becomes approved by both levels of government, a three- to five-year staging at the end of which time the various resource groups spread across Ontario would either be well under way and independent or the old one may fall by the wayside, which any group such as this can do from time to time. I think that clarifies the position of the provincial government at this time.

**Mr. Warner:** To your knowledge, are there any resource groups which have applied for funds and have not received those funds?

**Mr. Peters:** There are resource groups which have applied to Central Mortgage and



Housing Corp. for funding and, I believe, have more or less received in the order of the magnitude of funding they applied for. I am sure there were some differences between them and the federal government on the precise amounts. With respect to ourselves, as we have been developing guidelines for this programme we have asked for submissions from a number of groups on the clear understanding that these were not formal applications for funding but were to give us an idea of the kinds of plans that various proforma resource groups had in mind and these were used partially to help us set budgets and consider appropriate regulations to put in place.

[5:45]

**Mr. Warner:** There seems to be a little difficulty in communication or whatever. I have a letter from the Toronto Non-Profit Housing Federation and they take it to be a fact that between 1974's budget of \$500,000 and 1975's of \$300,000, there really hasn't been any support of what they take to be a very important kind of relationship to have going on in the community and the government's commitment or agreement to the kind of thing they are trying to achieve. You agree with what they are doing—that they are doing a decent service in the community—but the money hasn't been flowing.

**Hon. Mr. Rhodes:** I would suggest to you that one of the reasons, as both Mr. Riggs and Mr. Peters have indicated, is that we do believe that this is a good programme. We do believe that this is a good idea to have well-established.

I think certain projects that have gone on, with not quite the expertise that they should have had, have run into difficulty—a fair amount of difficulty. They had the best of intentions—there is no question about their intentions—but they just didn't have the full expertise. What we are trying to do here is to establish a good, sound, firm base of resource capability and it is taking time. No one is rushing the thing.

I think that is the best way to do it, so that when we do come out with a programme it can be strong, almost from the beginning it can have the funding available to it. These resource groups will be set up across the province so that we don't run into a lot of the difficulty of having people going out with good intentions, starting the projects, finding difficulty with the resources they need, and then ending up sitting in the Housing Minister's office or CMHC's office, looking to get extra help so they can get on

with their project. A lot of times this is costing more money than really would have been necessary if a good strong base had been set up.

We think we are on the right track on this one and we are ready to go ahead and take it into the cabinet committee on resource development to make it move.

**Mr. Warner:** Will they not ask you why the money wasn't spent in those other two years?

**Hon. Mr. Rhodes:** Probably, and I think one of the reasons for it—and again I bow to Mr. Peters' much greater knowledge and more activity in this area—is that we really haven't had those resource groups set up the way that we think they should be set up.

**Mr. Peters:** I think it has been a pretty long process to establish from the kind of guidelines the minister's advisory committee requested us to explore—how we could be sure of doing it.

To give you one example we sent someone out last year to British Columbia to evaluate some of the experiments that had been developed there. He came back and, as circumstances have turned out his evaluation was quite accurate. He said that the evidence as he had seen it there argued very strongly for a very careful foundation to be laid.

One of the problems that developed in those circumstances was that the central resource group that we developed did not have a fairly full and well fleshed-out relationship with the non-profit groups in that sector in British Columbia. A lot of inter-necine difficulties and things evolved.

With that in mind, we have been spending a lot of time devising formulas to establish a regional approach and, to ensure that the third sector's request to us that they be self-sufficient and not become dependent on the government for funding, a kind of a funding formula is being developed which will fulfil that. That has not been any easy process.

We think now, as the minister has indicated, that we have got something that will satisfy them and fulfil their request. It has taken a long time and maybe it could have been done more quickly, but at the same time I think the third sector has evolved quite a way in the first year and a half and now, when the funding is made available, provided the government approves the final process, is going to be in a much stronger position to use it than they would have been had we rushed it through, come



up with guidelines that might not have formerly fulfilled their requests and in fact may have unwittingly had them in a situation where they did not spend it as properly as it might have been spent.

**Mr. Warner:** What's the end goal of this kind of funding? Where are you going with it? You refer to it as the third party or the third sector type of group. How much of the housing in this province are you looking at? Is it a kind of nominal sort of thing? Do you want one little group here and one in Owen Sound and one in Thunder Bay, and then forget it? How far are you going to develop this?

**Hon. Mr. Rhodes:** I don't know how far, or whether we can answer that now without probably asking the federal people, who certainly are going to be substantially involved, what their goals are. Our goals are going to have to pretty well follow along with what they are going to be doing. We could end up with 10 per cent of the housing that could be under non-profit. Interestingly enough, with regard to non-profit which for a long time was a frightening or mysterious sort of thing to people, we now have a great deal of interest being indicated to us by the private sector which would like to get into building non-profit facilities, that is, the actual construction.

**Mr. Warner:** Sure, it provides jobs. In the interest of time, I will just make one comment. I will pass on this vote and the subsequent one and leave the remainder of the time to the Liberal Party. It seems to me that there really is, to my eyes anyway, a difficulty for people in Ontario in obtaining housing they can afford. I think that this kind of thing that you are looking at here, the third sector or the third party, or however you want to refer to it, offers one alternative that's a darn good sound one.

Quite frankly, I would love to see the day when we can actually in this province control the developers, get that land out of their hands and get non-profit housing in a very large volume, a huge volume. One of the reasons I want to see that happen pretty quickly is over the issue of jobs. The job issue is becoming more critical as the weeks go by and I don't think we are getting the initiative from government and the leadership from government that we should be having on it. That's the way I see it from where I sit. I hope the situation improves, regardless of who is in power, because we need housing and we need jobs and we need them now.

**Hon. Mr. Rhodes:** I draw this to your attention for your own information—and you may be aware of it—but I don't think the economy of this nation, let alone of this province, can be based upon the housing industry. It should not be. If you talk to a number of the labour organizations in this country, they will tell you exactly the same thing. For God's sake, don't use housing as a method of going up and down in the economic sphere.

**Mr. Warner:** No, of course not, but it does supply jobs.

**Hon. Mr. Rhodes:** Sure, and there is a good spinoff of jobs too. The other thing to remember too is that it may be a goal to have a great huge amount of non-profit housing, but I don't think there is the demand, quite frankly. There is a demand now but there is not a demand for the volume that you are talking about. There are still a lot of people in this province who like the idea of going out and getting their own home and building it. There are a number of people who would like to go into this sort of accommodation. In a number of the projects that are going on now, we have people working in that area who are gaining more knowledge all the time and just the sort of thing they have developed is going to assist this whole programme.

**Mr. Warner:** I hope so.

**Mr. Hall:** I guess Mr. Riggs mentioned it. Seriously, I would like two or three copies of that book "People Do It All the Time." I have been approached by some non-profit church groups who would like to further this sort of thing in our community, and I assume that's the subject.

**Hon. Mr. Rhodes:** This is put out by your good friend, Mr. Barney Danson, who has been doing it to people for a long time.

**Mr. Chairman:** Order, please.

**Hon. Mr. Rhodes:** The Minister of Urban Affairs.

**Mr. Riddell:** Now you are getting partisan.

**Hon. Mr. Rhodes:** No, not at all.

**Mr. Hall:** Maybe this is already in common terminology—or maybe it will disappear—what is the precise grouping you refer to as the third sector? What are the other two sectors if that is the third?



**Mr. Riggs:** The first sector would be the private sector; second sector is the public sector; and the third sector is the non-profit and co-op sector.

**Mr. Hall:** That portion of the private sector?

**Hon. Mr. Rhodes:** A combination.

**Mr. Riggs:** They don't consider themselves part of the private sector. They consider themselves to be the third sector which is a combination of both private and public. Therefore, they don't believe they belong to either of the other two categories which have been predominant in Ontario and Canada over the last 50 years.

**Mr. Hall:** I would move the passage of the rest of the votes of the Ministry of Housing's estimates.

Votes 2004 and 2005 agreed to.

**Mr. Hall:** At this time, as one who has participated actively, I would like to compliment you and your assistants and aides for the open information which has been provided and the good spirit which has prevailed through a long session of estimates. I have enjoyed it very much.

**Hon. Mr. Rhodes:** Mr. Chairman, I want to thank the committee and, of course, you for the tremendous control you have had. I thank the committee for a very thorough, open and frank discussion. I think the reason we had an enjoyable time was because we did have the ability to exchange our viewpoints on an open basis. Thank you very much.

**Mr. Chairman:** This concludes the estimates of the Ministry of Housing. The committee will meet again at 2 p.m. on Wednesday.

The committee adjourned at 6 p.m.



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Cassidy, M. (Ottawa Centre NDP)  
 Hall, R. (Lincoln L)  
 Johnson, J. (Wellington-Dufferin-Peel PC)  
 Rhodes, Hon. J. R.; Minister of Housing (Sault Ste. Marie PC)  
 Riddell, J. (Huron-Middlesex L)  
 Shore, M. (London North L)  
 Singer, V. M. (Wilson Heights L)  
 Warner, D. (Scarborough-Ellesmere NDP)

**Ministry of Housing officials taking part:**

McDonald, R. M., Vice-President and General Manager, Ontario Mortgage Corp.  
 Peters, D., Director, Community Sponsored Housing Branch.  
 Riggs, R. W., Assistant Deputy Minister, Housing Development; Vice-Chairman, Ontario Housing Corp.  
 Rose, J. B. S., General Manager, Ontario Housing Corp.







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# Legislature of Ontario Debates

SUPPLY COMMITTEE—2

ESTIMATES, MINISTRY OF CONSUMER  
AND COMMERCIAL RELATIONS

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Monday, May 31, 1976

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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## LEGISLATURE OF ONTARIO

## SUPPLY COMMITTEE

MONDAY, MAY 31, 1976

The committee met at 3:28 p.m.

ESTIMATES, CONSUMER AND  
COMMERCIAL RELATIONS

(continued)

**Mr. Chairman:** The committee will come to order. I have been holding up because Vern Singer was here earlier and sat for a while and waited. He will be coming back and has a good deal to say, I'm sure, with respect to the vote that we are now on, which is vote 1304, item 2, Theatres, Mr. Sims' part of the estimates.

We will be meeting this afternoon; we won't meet tomorrow, but we meet at 2 o'clock on Wednesday.

**Ms. Sandeman:** Three of the New Democratic members of the committee—I guess just about all the members—have another commitment on Wednesday afternoon, which was set up at a time when this committee was not scheduled to meet on Wednesdays. Can you function without us? Would you consider adjourning the committee?

**Mr. Reed:** Mr. Chairman, that goes for this member too. I'm prepared to supply a substitute and certainly can if it's the wish of the committee to—

**Mr. Chairman:** The Chairman has double responsibility. First of all to accommodate to the greatest extent possible the needs and what not of the members of the committee. On the other hand these estimates have gone on for two solid weeks. We met not once last week. The ministry is pressing me to get on with the thing. My own motivation is. I think we can wind it up on Wednesday if we were sitting. I'm sure we could wind it up Thursday too, but it's another day lost. I'm not going to be arbitrary about it in any way. If that's the feeling of the members of the committee, and the ministry hasn't got too fundamental an objection, I think we will not meet on Wednesday. Is that basically the consensus of the committee?

[3:30]

All right then, we will meet Thursday after the question period and Thursday night and Friday morning, with a view to getting on with the Ombudsman on Friday morning.

**Hon. Mr. Handleman:** Mr. Chairman, I did anticipate we would be meeting Wednesday, and my commitments were made with that in mind. I understood we would be substituting to get more hours on Thursday than we would normally have on Friday because of a commitment that I have made. I notified the clerk of that. I am quite prepared to have Wednesday off, but I think we should try to get through on Thursday. I can't meet on Friday; I have a commitment. Thursday afternoon, Thursday night, if necessary.

**Mr. Chairman:** All right. We will try to set ourselves Thursday night as the last evening, and possibly get on Friday morning, not with this minister, but with Arthur Maloney. That will be our goal and our endeavour. I want no one to feel constricted.

We are on to vote 1304, item 2, Theatres. Mr. Singer, you spoke to me earlier and said that you wanted to say a few words on this.

On vote 1304:

**Mr. Singer:** Mr. Chairman, I have a copy of a judgement, given by the Nova Scotia Court of Appeal, in the case of McNeil and Her Majesty the Queen, represented by the Attorney General of Nova Scotia. It is a very interesting judgement, in which the four justices of appeal unanimously conclude that the Theatres and Amusement Act and the regulations made thereunder are ultra vires the Legislature of the Province of Nova Scotia.

In essence, what they seemed to say was that this kind of legislation, which is not dissimilar to the similar type of legislation in the Province of Ontario, is part of the criminal law and, as such, is within the jurisdiction of the Parliament of Canada and not of the Legislatures of the various provinces. It would be my opinion that this kind of reasoning would be supported by the Supreme Court of Canada—and it is on its way



there now—and that, similarly, the same question asked about Ontario's statute would result in a similar answer.

This presents a very serious problem to the government of Ontario, although I am anticipating what may be the result. What I say is only an opinion and that is the way lawyers talk; they give opinions as to what is going to happen. The Supreme Court of Canada is eventually going to make up its own mind and say what it feels is appropriate. I wonder if we have got a contingency plan? It occurs to me that classification would make some substantial sense and probably is not within the four walls of this kind of a decision—classification as distinct from censorship.

I would think, and Mr. Sims can elaborate on this, you do some of that now. There is some labelling, saying this is suitable for old people who can't see, or this one is suitable for young children who don't care, or things of that sort with recognized labels and advertising that must go with the film. I would like to know what is being done in relation to this judgement, which very seriously affects something which the people in Ontario have accepted for a number of years and now, at least, has a very great big shadow cast over its legality.

**Hon. Mr. Handleman:** Mr. Chairman, first of all, of course, we are aware of the judgement and have examined it very closely. The Attorney General has received instructions and has concurred with those instructions to intervene on the side of Nova Scotia in the appeal to the Supreme Court of Canada.

**Mr. Singer:** May I interrupt you at that point? Do you have a date as to a possible hearing?

**Hon. Mr. Handleman:** No. We don't anticipate judgements, but we are aware that if the court were to uphold the decision of the Nova Scotia Supreme Court our own Act would probably follow and be in the same category. We do a great deal of classification; that has been discussed with the industry and I am sure the classification would continue.

I suppose the question that would have to be determined by the government is whether or not classification, licensing, which we also have control over, and the kinds of information we get through our Companies Act, would be sufficient to meet the objectives that we have in the Act now. The objectives are more than simply censorship, and I think I should make that clear.

I don't think I would want to divulge what kind of a contingency plan we might have, other than to say the government would have to do something unless we found that the remaining powers in the Act—if censorship was found to be outside of our power—if the remaining powers in the Act were found to be sufficient to carry out our objectives, then we wouldn't have to do anything. I wouldn't want to anticipate that that might be the case, because we're relying greatly on the skill of the Attorney General (Mr. McMurtry) as we are today, and we hope he will win both cases.

**Mr. Singer:** I don't think it's got very much to do with skill. It's got to do with what the law really is. It's fairly easy. He's run up there today with a whole department backing him, all sorts of people writing opinions—

**Hon. Mr. Handleman:** I shouldn't have brought that case in.

**Mr. Singer:** —putting pieces of paper in his hand and he has to follow no less a person than Robinette, and all he really has to do is get up and say "I concur with Robinette."

**Hon. Mr. Handleman:** Perhaps Mr. Sims can tell you about the classification procedure. Certainly it's a major part of the function of the branch now. Classification has always been a part of their function, and they are not only deeply engaged in classification but also there are some new initiatives, such as additional comment in advertising to add to the simple classification of "restricted," "adult," whatever it may be, to show that, while suitable for adults, there may be things which are offensive to certain people, and the advertising is reflecting this. Mr. Sims and Mr. Young may want to have something to say about this Act too.

**Mr. J. K. Young:** I just want to make one statement and that is that section 3 of the Act gives the board power to censor, in section 3, subsection 2(a), and then in section 3, subsection 2(e) and (f), it gives the board power to classify and it may be, depending on the nature of the decision from the Supreme Court, that it will be distinguished and they can continue with their classification power and not have power to censor.

**Mr. Singer:** If I can just get in there again, Mr. Chairman, I think there is a fairly substantial case to be made for provincial right to classify. I think that's what Mr. Young



was saying. If this decision is upheld—and there's no point in my saying it's going to be because I think it's a reasonable decision, and somebody else saying it's not going to be because we're going to attack it; the Supreme Court of Canada in due course is going to decide—if this is upheld, then we are pushed back either to classification or some *modus vivendi* with the federal government, and that's the second part of my questioning: Have discussions taken place with the government of Canada?

**Hon. Mr. Handleman:** It isn't that imminent. We are aware of what our objectives are in this Act and, as I say, the question that was before the Nova Scotia Supreme Court was one involving a ban, which involves censorship obviously. Certainly the branch does, in fact, ban certain films, but if that power were removed from the branch and the right of editing remained, which is a form of censorship, then we still might be able to achieve the objectives we have in mind for the government.

**Mr. Singer:** There's no point in the minister and I getting into that kind of an argument. The definite statement by the court is that the Act is *ultra vires* and the regulations are *ultra vires* and it isn't a ban or a particular movie. It's the power to censor.

**Mr. Drea:** That's a Nova Scotia law, not Ontario.

**Mr. Singer:** Well, if it's important to comment on that, I will. If the law is upheld by the Supreme Court of Canada it will apply equally, in my opinion, to the Province of Ontario as it would apply to the Province of Nova Scotia.

**Mr. Drea:** That's quite true.

**Mr. Singer:** That's why it's going to the Supreme Court of Canada, and once the Supreme Court of Canada gives its decision we will be much better informed as to what the law is, not what opinions are. I think it would be quite tragic if this happens, and it's my opinion that it's quite likely that this will happen, notwithstanding who you send up there to say that the Court of Appeal of Nova Scotia is wrong. It would be quite tragic if Ontario is caught unprepared for this kind of eventuality so that the second part of my question is have discussions been undertaken with the government of Canada in order to ascertain what might be done, if the Supreme Court of Canada moves this way?

**Hon. Mr. Handleman:** No, we haven't anticipated that. Mr. Sims may have been in touch with some people in Ottawa but no discussions have taken place at the governmental level.

**Mr. Sims:** I have not; the industry, yes.

**Mr. Singer:** The responsible parts of the industry probably would listen very carefully to what government would have to say or the responsible minister would have to say. On the other hand, if the courts open this door there will be irresponsible parts of the industry which will just sort of spring out of nowhere.

**Hon. Mr. Handleman:** They've sprung out of nowhere in the past even without the decisions.

**Mr. Chairman:** I would like to say a few words on the case itself too. I read the Ontario statute very carefully in light of the case. I've got it before me. There are certainly a number of clauses in there and in the regulations which are very extensive, far more elaborate than anything Nova Scotia had, which both safeguard and wipe out by that decision, however you read it, whole areas of what the Ontario censor presently does. Reading it and taking the chance of having an opinion adverse to the Supreme Court, those sections appear to me to be severable. They are so set out that they are quite separate and distinct.

I do think, nevertheless, that this whole business points up how crazy our constitution is. A 16-mm film was not exactly an overriding consideration by the fathers. Here we are and the federal government, except for those sections of the Criminal Code dealing with obscenity, doesn't seek really to reach into the area of communications. The mores and life of a particular province are quite distinct here from there. It seems to me if there's any revision to that constitution, there should be some kind of vision on the part of the ministry, if it has any role or say in what will be an ongoing discussion because what the Prime Minister of this country has said about the constitution. It should devolve this power and the retention, as far as I'm concerned, of prohibition with respect to films, theatre and the whole work of depiction in public of various forms, particularly of violence, and then only secondarily, as far as I'm concerned, sexuality.

I think we all find in sexuality that which turns us off so much is precisely its violence



where some human being is being raped or made into a thing and various forms of sadistic torture and all that kind of thing. Taking any other thing into consideration, I think the ministry is well disposed to appear before the court.

Just one word from the judgement itself, certainly the judgement bears out the feelings of the ministry. MacKeigan's judgement, which was the Chief Justice lead-off judgement, says fairly conclusively what I think we probably all concede. He says:

I add that in condemning the provincial censorship on prohibition of films I do not think we should be taken as passing any opinion on types of film regulation not before us such as the classification of films to inform the public of their nature and kind or regulations by a provincial body in loco parentis or in an educational capacity to prevent children seeing some types of films.

That runs through Macdonald's judgement which is the best judgement of the court. He nails it down in page after page toward the end of the case.

**Hon. Mr. Handleman:** Nova Scotia has carried on with the classification system without continuing censorship activities as an interim measure.

**Mr. Singer:** I can't resist asking the minister if he has strong feelings about the revision of the BNA Act and what kind of representation he is going to make in view of the comments of the chairman. Really I don't anticipate important revisions to the BNA Act, notwithstanding what the Prime Minister of Canada said, in the immediate future. I think we've got to go on the basis that perhaps they won't be revised in the next year or two.

[3:45]

**Hon. Mr. Handleman:** Speaking for myself personally and not for the government, I've always taken a pragmatic approach to constitutional matters, saying who can do the right thing best. As I said in the House today in the question period, I have no objection whatsoever to the federal government having certain jurisdictions, provided it exercises them nationally and there is a national need. On the other hand, where there's a local need, as the chairman has said, I think it's probably preferable for the provinces to do it. Certainly, if the fathers didn't know anything about 16 mm, the grandsons didn't know

anything about videotape. We're really moving in terms of what can be done in public.

**Mr. Singer:** As interesting as that discussion may be, it's quite irrelevant to the problems that we face because we're not going to be able to do anything about it within the confines of this Legislature.

**Hon. Mr. Handleman:** No. But the federal government could in some way or other provide the provinces with some measure of administrative responsibility under federal legislation as it is proposing under gun control.

**Mr. Singer:** Maybe we might learn a little bit more about that aspect when they deliver themselves of a decision later this month.

**Mr. Chairman:** Any further discussions?

**Mr. Reed:** Are we about to change the subject, Mr. Chairman?

**Mr. Chairman:** I think we're about to change from the consideration of this Nova Scotia case.

**Mr. Reed:** Are we about to change?

**Mr. Chairman:** If you wish, I don't mind.

**Mr. Reed:** As long as everyone has cleared the air on that, I'd like to change the subject slightly and deal with the film industry itself. As you know, I once had a vested interest in the viability of the film industry and I found out through my own experience that we all in Ontario and as Canadians have a very acute interest in the strength of a Canadian film industry. In the Province of Quebec the problem does not present itself to any significant extent in the French language because of the fact that there is a market for film produced in that language.

Canada, it should be noted, as a place where people go to theatres I think ranks as the number one export country of Hollywood. It changed from two to one between 1973 and 1974. The expenditures between 1970 and 1974 by Canadians at movie theatres went from something like \$27 million to \$54 million, which is a doubling in four years. At the same time, the level of film activity or production activity in Canada in the English language has dropped to the point where it is not quite non-existent but fast getting that way. One of the biggest problems is the fact that the investor who invests in a Canadian production stands on a risk basis much less of a chance of getting his nut back, to use the vernacular, than with the same money invested in the larger market



area. It's specifically because of that difference in market areas that the difference in risk exists.

In Canada and in Ontario specifically, we have a highly developed and highly skilled film industry. We have acting talent which is second to none in the world and we have the technical skills. As a matter of fact, some of our technology is so advanced that American production is being made here, especially in the area of videotape and so on. We take a back seat in no area whatsoever.

The third thing that is kind of interesting is that we can make film a little bit cheaper on a man hour for man hour basis, if you like. Recognizing this problem and recognizing big brother in the United States and some of the others, as it was in Great Britain and more recently in Japan, many countries in the world have undertaken to ensure the health of their film industry by adopting some kind of system which will ensure that films produced inside the country are shown inside the country on some reasonable, assured basis.

I have had a great deal of discussion with members of the industry, both performers and production people. They tell me, and I did manage to find a piece of the Act, that in 1975 you amended the Theatres Act. One of the areas was an obvious concern for this particular problem. It did apparently provide for a certain percentage of films exhibited in theatres to be of Canadian origin. I would like to add to that a little and ask you if your ministry has considered as well the possibility of dealing with a levy system in the Canadian theatre industry that would provide funding, not for the production of films but to reward those films which were successful at the box office, that were Canadian originated and Canadian produced, so that producers who had successful films would be able to go on and produce more.

Incentive then would be given to new producers and there would be new money for competent film. I would be the last person in the world to sit here or in any forum and suggest we should make a mandatory quota and force people to sit in their local theatre and watch for so many weeks out of the year second-rate film. It is in our interest to do everything we can to encourage the production of top-flight, first-rank films. As I stated earlier, we have the ability to do it. What we don't have is that great expansive market that our neighbours to the south have. I just wonder what the position of the ministry is regarding this whole picture of Canadian production?

**Hon. Mr. Handleman:** First of all, the amendment to the Act which took place last year was to remove an archaic provision of the Act which had provided for the possibility of quotas requiring a certain percentage of British film. Obviously that was out of date. We substituted the word Canadian for British, which brought it into line with our modern nationalistic trends. However, the application of some form of incentives to Canadian film producers to permit their film distribution, which I think is a major problem, is really a policy matter which would have to be determined on the initiative of the Ministry of Culture and Recreation and would have to have government consent.

I do know that Culture and Recreation since that provision was put into the Act last year has been under considerable pressure from performers' groups and from some of the producers. The exhibitors are a different story entirely. I think really before any recommendation goes to cabinet, Mr. Welch has to iron out the conflicting positions of people in the industry. Having brought that amendment forward last year, generally speaking we were in sympathy with the aims of the people in the industry who wish to see more Canadian films shown in Canada.

There is also the question of the commercial aspect of it. If there are to be subsidies, then that would be a matter of Treasury policy as well. It is not a question of concept. We are certainly in favour of there being more Canadian feature films shown in Canada. But it is not our ministry that would provide the lead in that.

**Mr. Reed:** I have the feeling that the industry itself is not looking in this case for a handout at all. They are looking perhaps for some system that equalizes or helps a little bit to equalize the overweight of the investment possibility south of the border. The problem of getting investment money is where it really boils out.

**Hon. Mr. Handleman:** I would have to assume that would be a tax policy that would have to be recognized by the government of Canada. We do help in our own small way. We don't charge any censorship fees to Canadian films.

**Mr. Reed:** I hope they are all well above the rating standards.

**Hon. Mr. Handleman:** I could comment on some Canadian films, but I won't.

**Mr. Gregory:** Does your ministry have any information that would tend to indicate there



is any involvement of organized crime in the pornographic film business or theatres?

**Hon. Mr. Handleman:** Oh, very much so. I think this is a matter which was—I think Mr. Drea made a speech about this, I made a speech about it and recently there has been a very comprehensive article in Maclean's Magazine about the involvement of organized crime in the United States and its efforts to export a piece of that business to Canada. Without going into all of the details of it, people who are connected with organized crime and admittedly openly associated with some of the branches of organized crime in the United States are also associated with the pornography business in all of its forms, not only in film but in videotape and equipment, in the ownership of theatres and in the print aspect of pornography.

We are aware of it and I would say that probably the major reason why we have intensified our regulatory activities is to try to stop that aspect of the pornography business. It is a large industry and a large business and many of the people involved in it are people who operate on the fringes of society. Aside from the moralistic aspect of censorship, we also have the objective of controlling the intrusion of organized crime into any aspect of Ontario society.

**Mr. Gregory:** That being so, the second alternative that Mr. Singer spoke of previously, that of classifying, wouldn't solve the problem insofar as organized crime is concerned.

**Hon. Mr. Handleman:** Not necessarily. When I answered Mr. Singer, what I did say was if our other powers under the Act, which include the registration and regulation of the people involved in the industry, would help us to keep undesirables out and, at the same time, allow certain uncensored films and videotapes to be shown, then the government might be satisfied that its objectives could be met as far as keeping organized crime out is concerned.

The other aspect of censorship, which is to lay down certain limitations as to what can be exhibited publicly for commercial gain, could not be met if we couldn't censor it but could only classify. That would be another argument entirely. Our view is that pornography is a big business and it is operated by people who are on the fringes of acceptable society. We would like to see our control of the business remain as it is now. But if the Supreme Court of Canada says otherwise, then we might

have to find alternatives which would enable us to carry out both objectives.

**Mr. Gregory:** Could I just follow up with that bit? I don't frequently say this but I don't know really what we're talking about censoring and what we're not. I'm just wondering to what extent it has got because, frankly, anything I've seen in the theatres has been something I wouldn't want my 12-year-old to see but is not something that really shocks me that much. Has it got that bad?

[4:00]

**Hon. Mr. Handleman:** One of the things our amendments of last year did was enable us I think to nip something in the bud, which was becoming more than a nuisance. It was becoming a hazard in our view. We may be wrong, but we felt that it was a hazard to have people escaping the surveillance of the theatres branch. We had videotape machines, we had 8-mm machines which did not come under their jurisdiction, and this was quite obviously a loophole through which some fairly offensive material could be escaping. So we brought it into the parameters of the Act and we think we have managed to nip a lot of it in the bud.

Many of the things that are seen in legitimate theatres are perhaps to you and to me unacceptable, but in present day society are not considered to be offensive enough for the theatres branch to ban them. So they do some clipping, some classification, which would permit things we might not have seen 20 years ago. But the videotape, the 8 mm, and now the most recent one, the closed circuit television that is seen, which is not broadcast television, therefore not covered by the CRTC, has come to our attention, and we manage bit by bit to try to keep on top of this.

I know Mr. Drea has a great deal of information on the kinds of things that we would like to keep at least under control, and it's certainly not the kind of thing that we would want our families to see, but there are many people in society who have a taste for this. What I've said is, this is really preying on, in my view, some of the sicknesses of society. The people who produce it are sick. The people who pay money to go to see it are, in my view, certainly not ordinary people. I just can't for the life of me understand why people really want to see some of this stuff.



It's available to any member of the press and the Legislature at the theatre's branch premises, if anybody would like to see the kind of thing that you don't see, the kind of thing that's cut out. I know any journalist who has ever been there, who went up with an anti-censorship attitude has come back thanking God for the censor. This is, I would say, almost 100 per cent. I've never heard of anyone who came back and said, "We'd like to see that stuff shown in the theatres or in the videotape or in the closed circuit." It's pretty raw stuff.

I know Mr. Drea has a number of things that he would like to say on this subject, so I think I will just turn it over to him.

**Mr. Drea:** With the indulgence of the chairman, and my apologies to the members, I think if we look at this in a thoroughly professional attitude, the particular film I'm going to describe to you—I'm not going to give the name of it, except to say that it was a 35-mm film—was distributed by probably the second largest distributor in the United States. So it was certainly nothing that was going to be shown in peep shows or in the alley. This was intended for first class houses in Ontario.

I'm going to go down the numbers on the reels, and on reels one and two, when you get to the number seven, which was a footage number, you get into a most explicit sex fantasy involving three females. In number eight, which follows it, you get into a most explicit lesbian activity with three females. In number nine you get into a masturbation sequence. In number 12 you get into a copulation sequence.

In reels three and four, when you get to the counter four on it, you get into a very explicit masturbation and cunnilingus sequence. Number five, you get into a copulation sequence. Probably the most disturbing in all of this, at least to me, is in 12 and 13 you get into a very sadistic exhibition involving acupuncture needles, involving a female, and in 13 and 14, subsequent to the almost indescribable effort on sadism with that type of weapon, you get into a masturbation sequence.

In reels five and six, there is an exhibition of a pornographic film. Subsequent to that there is group sex.

In reel number seven there is fellatio and intercourse. Again, coming back into that pornographic film, numbers 13 and 14, there is an extremely perverted aspect of sex involving a female and a tattooed man. Number 14 involves several women nude in a

dressings room. I may say it involves certain activities which—well, I'm not going to describe them; I'm perfectly prepared to show my notes to anybody on the committee.

**Mr. Roy:** Is that all one film?

**Mr. Drea:** This is all one film, Albert. If I can just interject for a moment, this has had critical acclaim in at least three countries, which bothers me no end, and without cuts.

Reels seven and eight, in the first segment of it, number two, there is a nude body rub involving three males and three females. It goes on to a very explicit massage scene. Five and six, it involves masturbation by females. Seven involves a very explicit exhibition of lesbianism. Number 10 involves something that was called, by virtue of where the film was made, a strip club where there was a nude couple dancing while there was group sex by four couples watching. Nine and 10, there was intercourse, with dialogue discussing the previous orgies. Number four, there was an orgy fantasy. Numbers 9 and 10 it continued on. Numbers 10 and 11 had three involved in copulation. Number 12 is a group scene involving cunnilingus and a number of other things.

I may say to you that the overriding theme of the film was the deliberate corruption of a teenager by a married couple. That was the overriding theme of the film, from beginning to end. They discussed it in the beginning and they made their plans extremely well known to the audience and at the end they virtually took up vows that they had corrupted what appeared to be a 15- or 16- or 17-year-old female.

I suggest to you if that was going to be shown underground I don't really know what you do about it. There are police sanctions and so forth which really haven't worked since the beginning of film, but this was the work of a first-class production studio in France; a first-class production studio, believe me. The man who had directed it had received awards. The man who wrote the music had received awards. The photographer had received awards, not only in France, but in the United States.

A major American distribution company could not understand why, out of approximately 92 minutes, the Province of Ontario wanted to take out 32 minutes. They simply couldn't understand that, and on the grounds of artistic integrity they haven't shown the film. In short, they will not show it without the scenes that I have described.



I find it unbelievable at a time like this that people with creative ability—and I can say to you this isn't a film that is done with washed-out, outdated film. This is done first class in every way. It was done on location in Thailand, Malaya, Java. It involved considerable amounts of money. I cannot understand why people who have that kind of creative ability would want to merchandise that kind of film in the name of art.

Just as a final thing, it is very interesting to me, and certainly more than interesting to the Attorney General, that the scenes that I have described that would not have been shown in this province, have been exhibited as still pictures in a number of magazines whose distributors are now under indictment in the province.

I don't think there is really anything more that has to be said about interlocking directorates. As a matter of fact, the particular magazines that these stills were shown in, judging from the dates of publication, the stills were put into them before the movie was ever considered for an audience. I am not talking about censor boards in this country or elsewhere. Obviously there is an interlocking directorate that if you can't get it one way you are going to get it another.

I suggest to you very strongly that, once again, this was not something that was intended for an underground audience; this was intended for public distribution in the widest possible scope. I suggest to you that in a society that wants that kind of thing depicted there is something very wanting. It is all very well to talk about abstract law, as to whether the federal government or whether the provincial government has control. It is another thing to pick up the consequences of something like that being shown around.

Regarding the particular sadistic scene—and I toned it down no end; I am very willing to show my notes, and they are very accurate, to the members of this committee—I will tell you, after that kind of a scene within one, two or three weeks at the very latest, somewhere in this province there would have been a body found with exactly that type of mutilation on it.

**Mr. Lawlor:** Mr. Chairman, it had not been—this is quite honest—my intention to speak in my usual way about this particular vote; however, it has taken so long to get to it that one mulls, one thinks about it, and then notes form in front of you mysteriously, and there you are, you are left with something you think you possibly should say.

Obscenity has to do with the Latin "OBSCAENA," which means out of the stage, away from the stage, and there are several factors tied in with all of this.

First of all, there is the fundamentally irrational factor, away back in human history, that we don't purge, that we don't get rid of, that's within us all, that is very deep. It is present and it takes a number of forms and one is a kind of salacious pleasure gained from watching others suffer.

We are up against two things in this society. One of them is, on one side, relativism and the other one is subjectivity. They run together, of course. Those who are opposed to censorship of any kind take the position that none of us knows what is questionable, nor can we set up any objective criteria whatsoever as to the terms or conditions in which a thing should not be shown, not just for children, you see, it is a false distinction in my mind, certainly for children but for many adults too, and possibly even more for certain types of twisted personalities who, I personally believe, are deeply influenced by what they see, read, hear.

How can it be that certain things shown to us are supposed to develop health and faith and a love of life, and those are fine, but that other things that are directly the enemies of life somehow are not supposed to affect us? People will praise a novel that they have read as giving them an insight and a dimension which they previously didn't really have, but when another novel comes along, however well written, which is destructive of human relationships and internal to us all, that, under this way of looking at things, is neither here nor there, it doesn't affect us.

[4:15]

What happens in this particular thing is you get the social scientists into the game, those people who are supposed to be value free, which is the death of our culture. They come in and they say there is no way of linking, there is no way of proving the bad effect. I say their notions of proof and what they think is the causal relationships, etc. are too much natural scientific. They think they are dealing with electro-magnetism or something and that the laws governing human relationships and the methods in order to prove or disprove are totally different types of methods, until that dawn-realization of what is evidence and what is justification or non-justification, verification or non-verification in human affairs, until



that science has been developed and given something. Nevertheless in ourselves we know and can say and would be virtually unanimous as to what we find beyond the limits.

I was reading in the past few days a thing by a man who teaches philosophy in Kitchener, Ontario, a teacher by the name of Donald DeMarco who wrote an article called, "Obscenity: What Does It Mean?" I'm going to run through and add a couple more of my own as to what are the characteristics of obscenity. The first one he mentions is that it is blunt. He says: "Obscene words [pictures and phrases] act as blunt sledgehammers, more than as food for thought."

If we say, as he says, words like "genitalia" or "coitus", they are big Latin words or Greek words and don't have the same impact. There is a distancing. In the case of obscenity the design specifically is, if not to shock us—we may be beyond that at this state—at least to hit us between the eyes. That's the intent, whether that has that effect or not is another question.

The second thing he says is that it is reductionist: "In obscenity, the whole person is represented by a sexual organ or its act or an excretory organ or its waste."

The whole human being is reduced to a single function. The whole universe is seen as obscene to start with. Therefore, if everything is obscene, then how can you possibly object to obscenity?

I saw a thing in *Time* last week. A phrase by a writer says that a woman will say that a man is more than the sum of his parts. That sort of catches that.

The third thing he mentions is that it's usually grotesque. In other words, they take again a single organ and give it a life, a role and a working relationship that that organ by itself and apart from the whole human personality simply does not possess. The eye taken by itself can be terrifying. A hand moving as though it had a life of its own is equally so. The grotesquery that comes out of the penis or vagina or any types of sexual organs can be quite shocking. It's that delight in the grotesque which is another index as to whether or not the thing being depicted—on film or the stage or elsewhere—is itself grotesque.

He talks of the diabolic and points out that the word "symbol" means a coming together, a holding of things, and that the diabolic—that is, the opposite of the symbol—is a tearing apart and it has no connection.

It is a break with grace, with purpose and with beauty. Sexual organs taken in the context of personality and purpose can be a symbol, not only of beauty but of providence. Severed from that relationship with anything other than themselves, they represent something diabolic. He goes on to mention Leslie Farber's statement that *Playboy* magazine removes the fig leaf from the genitals and places it over everyone's face. That is the tenor of the time.

The fifth thing he mentions is that it is iconoclastic. It destroys. It is deliberately designed to tear down, to reduce, to make a wasteland, to render demeaning what otherwise has great purpose and function. Beauty and all these things are called into question. When we see a film, don't we know whether it is breaking down and whether it is breaking the icons and deliberately so? I think there is little question when you see most of the work that is done that that is the case.

The other one that I've added is displacement. That is the condition usually associated with death, and death can be pornographic too. Death is allied with violence. The death wish is a process in defilement, a process of tearing down. The conditions usually associated with death and sex, which should be grief and love, are paid little attention to, while the purely sensuous representation is enhanced to the limits of language or of picture.

It is unrealistic, it is a fantasy. This is what Mr. Drea was talking about—the hallucinatory, the engendering of dreams, etc., and substituting them for the reality of the situation. Where our lives are difficult enough in our relations with others, it is always a strain and always must overcome resistances all the time. To lift the human condition into fantasy escapes all physical or social or legal limitations. It is designed for hallucinatory purposes only. That is leading to the psychotic, that is leading to a condition in society if it becomes widespread. Permitting the depiction makes a contribution to it and gives a kind of seal to it by saying that this is permissible, then drives in the whole business of childhood and adult fantasy to a point where they are no longer in touch with the real.

Some of the reasons for this, it seems to me, should be mentioned. We are the product, the children of two world wars. We have to pay a tremendous price in time of war, not just in the lives lost and dismembered during that, but in the aftermath of it and what it leaves as a heritage in our system and in our society. We are paying a terrible



price for those wars. The presence of the bomb hanging over us gives a certain sense of meaningless and absurdity to human existence. We may all be exterminated tomorrow. So why not do whatever the hell comes to mind? If there is no future, there is no responsibility. The nature of the economic system, the sense of work that we have, the conformism that drives us, factory production and the ways in which we operate have brought us great good, but we have also to be aware of the dark side of the moon. Along with that, it has created immense boredom and immense dissatisfaction.

The whole competitive ethos, the business of overreaching and the particularly vicious area by way of competition are such that these so-called creative producers, directors and writers feel under an obligation to out-distance one another in this particular regard. If one can achieve one thing in one area, then ought you not to try more? Your whole job is to top the other fellow and do what you can get away with. This vein running in our society gives a lift, a direction, and an impetus to the film industry and to those in it.

We know a film director doesn't have to be depraved in his personal life to wish to do something that D. H. Lawrence was unable to do in "Lady Chatterley's Lover" and to raise the notch just a little higher. First of all, it may bring him fame. As a matter of fact it has got to the position where his notoriety partially depends upon his ability precisely to do that. We have to resist that, and it seems to me it is very deep in our system. I could go on with the problem of this sense of achievement and what is normally called alienation, the division between seeking success largely in material terms, and a sense of what human happiness is all about, but the lascivious runs counter to it and it is destructive of the human potential.

I have a long part in here about the liberal mentality. Unprincipled and indiscriminatory, the liberal demands depiction, he blinds himself to the viciousness found in himself and in other men and to the rancour. This doesn't apply to the Liberal Party. This applies to a particular kind of mentality which is in all parties. He blinds himself to the rancour, resentment, anger and hatred which are perhaps not endemic to the human condition but penetrate very deep, deep beyond cavilling, into the average human being, into us all. He has an idealized, floating, almost Utopian notion of man and the works of men. He is willing to put up with and to trade

what he considers a little malice for a greater gain. Being unreal or surreal he finds little gain and a great deal of malice. He permits, if he doesn't encourage, its engendering. He says it is a price to be paid for him and freedom. He is facile and deliberately naive. There is a world of difference between freedoms of assembly and speech and political and religious and social issues and the purveying of pornography. He has only become gradually aware of the pornographic etched into power, the sensual gratification, the exercise of power, of its other side, as an end in itself.

What I am after is a revelling in defilement, in submission and in the archaic call of semen and blood. I also find in myself a very great problem of division. On the one side is the censorship or no censorship thing. We can't blind ourselves in this life to a dimension of human depravity, to what human beings do. They do happen, they are there, and to simply expunge them on one side of the fence, to try to prohibit them, does nothing, does a little.

My basic position is that there are certain things and certain ranges of human activity which, if a few human beings wish to participate in them it is their business, but they ought not to be given public communication and given some kind of imprimatur by the mere fact that they are shown. There is that, and that is something of what Mr. Drea was talking about. Therefore, there is a wide range of other things that are both connected with sadism and connected with sex that must be, have to be, and will be, whether we like it or not, a subject in the subject matter and content of literature and the film, and what do we do with that? You can't turn your eyes from it.

I think what we ought to do with that is live through it, and what you have to do with that, with evil as such in human life, is to do something what Rubinoff up at Trent University calls the imagination of evil. You don't do these things but you have to live through these things, and the job of the theatre and the job of all art up until our time in civilization has been precisely to depict for the imagination so that men may purge themselves of violence, so that men may come to some accommodation with the devils in themselves, and this is what precisely great art is all about. It tells you.

It is not a question of subject matter. It is a question of altitude and attitude, of the height to which practically anything can be depicted. How is it depicted? Does the producer, in a hypocritical way pretending to



be against it, at the same time lend himself to it? Does he connive? Is he playing games with us all? Is he advancing certain purient directions in himself, pretending that he doesn't?

Of course, the worst that we get at the moment is the fellow who doesn't even pretend. He says that the world is a nihilistic wasteland anyhow, "I couldn't care less and this is the way it is and I am going to advance my own interest, come what may, and make a lot of money in the process. I am going to show these things and any of you snobs, philistines, pharisees who wish to step on my toes, be gone." I saw a guy on the CBC leaving this country, a film producer, who seemed to me to take precisely that position, etc. Good riddance to him. Let him go. If he wishes to visit Sodom and rejoice with Gomorrah, that's his problem.

[4:30]

At the same time, I think there is an area of protection of the whole human population with respect to this.

There are things you need not know of,  
though you live and die in vain,

There are souls more sick of pleasure than  
you are sick of pain;

There is a game of April Fool that's played  
behind the door

Where the fool remains forever and the  
April comes no more.

It is in the light of these considerations that I trust that the Supreme Court of Canada will have the good sense and grace not to impinge upon the present role of censorship in this province. I think it has been exercised along the lines of the criteria that I have set forth today in a very sage way, both by your predecessor and yourself.

But there are areas which I think are so demeaning, so revulsive and so inveigling that it lures people into a particular position. I think a depraved imagination leads to depraved acts. I have no question in my mind at all that this is the case. As I said earlier, if the good depiction can lead to good acts, then why not the opposite and why not much easier because of the tenor of the times and because of our natural proclivities to take advantage and to indulge?

The puritan sentiment—and that's the difficulty with censorship—has never been able to set up a link between condemnation and mercy. That is the problem. Secondly, he hates the flesh. He thinks the flesh by definition is vile. None of us, I trust, think that any longer. We know that the body is good

and has beneficial functions. The puritan, by way of suppressing, only breeds the very ills that he most wishes to get rid of.

You can't put a coffin lid over the concept of death, not talk about it and be afraid either of your own death or death as a subject matter, and not breed all kinds of violence, all kinds of twisted forms, seeking death, loving death, killing others. In all the dimensions of what is involved in that kind of killing, every type of insult and every type of twisted possibility is caught in that net. That is what Rubinoff says and I think it is very wise. Once in a while we should invite, not people with respect to aluminum wiring, but philosophers to come and talk to us. This kind of subject matter would give a very considerable insight. That's all I want to say today.

**Mr. Acting Chairman:** Mr. Roy, you may follow that act, if you wish.

**Mr. Roy:** Mr. Chairman, I was listening with interest to Mr. Lawlor. I think one of the concerns of all of us involved with this aspect of pornography and obscenity in censorship, and especially the confusion is more for us with a certain amount of legal background, is that it is so difficult to draw the line. It is so difficult to advise people, it is so difficult to know what is permissible and what is not and what are the effects of allowing certain things and not allowing others.

Maybe I can give an example which strikes a point. Your censorship people would allow certain films that I can recall that have gone into Ottawa, and yet when these films are shown in the theatre, the police come along and pick them up. I have known situations like this in Ottawa. Probably you have had the same problem in other jurisdictions.

**Mr. Sims:** They threatened to pick them up.

**Mr. Roy:** I think they did.

**Mr. Sims:** They didn't lay any charges. No charges were ever laid.

**Mr. Roy:** They didn't lay the charges because the theatre quit showing them. You would think, once there is the seal of approval—I shouldn't say approval, but at least acquiescence to some degree—that the film can be shown. I can recall one particular film, I didn't see it myself but it was something to do with Nazis and a she-wolf or something.

**Hon. Mr. Handleman:** That's the one.



**Mr. Roy:** "Ilsa the She-Wolf."

**Mr. Sims:** "Ilsa, the She-Wolf."

**Mr. Roy:** I can recall that was showing, I think at the Rideau Theatre on Rideau St. in Ottawa. They were threatened by the Crown attorney's office to quit showing it, and I think they did. That film had to go through the board, did it not?

**Hon. Mr. Handleman:** Yes it did. The overriding application of the Criminal Code still applies, if after the theatres branch has classified it and made certain cuts, if any in it, the police still feel it is in violation of the Criminal Code. There has been no stamp of approval placed on it by the theatres branch.

**Mr. Roy:** That is why I was trying to be kind to you. I didn't say you were giving it your stamp of approval. You can see the problem. The problem you are coping with every day is what is obscenity? Is it the particular superintendent who has got a more stringent approach than his predecessor, or is it the judge?

**Hon. Mr. Handleman:** You ask a fairly straightforward question about what is obscenity. I am not sure it is the function of the theatres branch to try to determine that. It is trying to determine what is suitable for exposure in Ontario society today, 1976. What is obscenity is a matter for the courts. Perhaps Mr. Sims can tell you something about that. It is difficult to draw the line but that doesn't mean we shouldn't try, and this is what we have been doing.

**Mr. Roy:** I am not saying that I was listening to Mr. Lawlor trying to philosophize on this point. As he was saying, we are not as prudish as we should be. What is acceptable to society today has changed radically from what it was just five or 10 years ago. Nevertheless, you try to keep a proper balance and the balance is exceedingly difficult because of a variety of standards.

You could say that your role is a particular role in saying what is socially acceptable to be viewed by the Ontario community. The fellow on the street would think that once it has gone through your people it would be acceptable. Yet the police come along, or the Crown attorney's office, and say it is not. That could vary with a particular judge or with a particular Crown attorney or with a particular police officer who decides to be a bit more enthusiastic than his predecessors.

**Hon. Mr. Handleman:** Or a community may have different tastes from another community.

**Mr. Roy:** That's right. I suppose the actions of the police or the Crown attorneys are predicated to some degree on the complaints they are getting.

Let me possibly cut the dissertation here and just ask a question. Have you experienced that situation on numerous occasions where you allow a film in and then find there are threats of prosecution unless it is withdrawn?

**Mr. Sims:** Mr. Roy let me speak to "Ilsa, the She-Wolf" itself. We are not infallible. We released it, as you know, to Ottawa. It had criticism. We brought it back, looked at it again and made further cuts. We have had very little trouble with it. We have had people complain about it, but again I guess it must be that minority group we are serving in that particular film or product.

We have had one or two others that have flared up momentarily. "The Story of O" was one in Sarnia. There was a question raised in Sudbury, but we did nothing. We sat and waited and it died out. We feel once we have made the decision we hope for the best, because we have done everything right.

The important thing is, as I say, that we sometimes make mistakes. We try not to. It is like any judge in his wisdom. He does what he thinks is the right thing.

Mr. Lawlor certainly spelled out the guidelines and I think we have gone about as far as we can go, with respect. If we go any further, we are certainly into deep trouble and we are placing everybody else who exhibits in that same bind before the courts. I don't like spelling out guidelines because if you say it today, that means tomorrow my good friends in the legal profession, including yourself, would be saying to me: "But you said before the House committee or the royal commission that this was acceptable." It might not be tonight or tomorrow, it might have changed overnight.

In 1921, I think we had it here, there was a published set of guidelines. You may have seen them in last week's Star. Mr. Silverthorn in his wisdom got away from it. I don't like to get back into it. I have guidelines, but they change from day to day and I don't like to speak to specific guidelines. You used one or two of them, Mr. Lawlor, and they do seem to be totally irrelevant at times.



**Mr. Roy:** Let me go on from there. While I'm on that topic of what you allow and what you don't, I've always had the impression, and I'd like your comments on it, that you're tougher when it comes to sex than violence. In no way do I want to make these comments relating any approval to some of the sex scenes, for instance those that were mentioned by Mr. Drea about one particular film. One of the criticisms that I get from time to time is that you seem to allow more leeway when it comes to violence than when it comes to sex. As an example, people criticize and say it's against the law to assault and it's against the law to kill, yet that's regularly seen in films, and in some pretty radical and explicit ways.

I'm not a moviegoer but I can recall a film, "The Godfather," where there were some pretty rough scenes of violence. People say the sex act or sexual scenes are, by and large, according to our standards not necessarily against the law but there are cuts made in those areas. In other words, it seems to be criticism on the part of society or at least certain segments of society, whether it's because of our background or whatever, that we tend to get tougher when it comes to sex than in the case of violence when it should be the other way around. I'd just like to have your comments on that.

**Hon. Mr. Handleman:** Before Mr. Sims replies, Mr. Roy, you might take half a day sometime and go and see the cuts. I tell you the violence that has been cut out of the films is absolutely revealing as to what kinds of violence they are trying to put in films. It's absolutely horrifying. I'd hate to tell you how much violence he does cut out.

**Mr. Roy:** I'd obviously be flushed because of how I find some of the stuff. I know you have no jurisdiction over what we see over television, but some of that stuff appears pretty wild. Some of the films we've seen, especially involving detective work and gangsters, are pretty vicious.

**Hon. Mr. Handleman:** To be fair to the theatres branch, it should be pointed out that in many films, if you were to take out the scenes of violence you'd be better to ban the film. It would make no sense at all if you have a detective trying to unravel a crime, unless the crime has been depicted or suggested in some way or other. I'll let Mr. Sims go on because he can tell you. I know he does cut out violence, and in great quantities.

**Mr. Sims:** I have before me, Mr. Roy, the complaints from last year. In the fiscal year 1974-1975, they amounted to 43 written complaints or phoned-in complaints to us. They have not quite doubled. There are 71 this year. It's broken down into advertising, censorship and discrimination.

For instance, just to give you an idea of what we mean by discrimination, in the case of "The Man Who Would Be King," somebody called in about the chap spitting the watermelon seeds in the train car. Have you seen that film at all?

**Mr. Roy:** No. I must tell you I don't see more than one or two films a year.

**Mr. Sims:** I heard that, and that's one of our problems. There are a lot of people speaking to it and we have to really bring them up and see what goes on.

**Mr. Roy:** What was he doing?

**Mr. Renwick:** What was the act of discrimination in "The Man Who Would Be King?"

**Mr. Sims:** It involved the Indian chap who was spitting the watermelon seeds out in the coach. Do you remember the Rudyard Kipling story? This chap who called me was indeed from India, and his complaint that we were allowing a certain thing. It was a short scene at the beginning, but if you know the play at all it was totally in context. I don't want to quote what I said because it might be taken, again, out of context. I said to him, and I might as well say it now, that if anybody spit seeds out in front of me I think I'd throw him off the train too; because that's what he was doing, literally spitting the things out.

Then we have complaints on drive-ins, we have them on language, we have them on obscenity itself, pornography, sex, sex and violence, violence and theatre overcrowding. On violence itself—everything else has pretty well increased—but violence was 11 last year, and 11 this year. I believe the thing holding complaints on violence down in a period when everything has gone up is the new policy on warnings. We put much more information out on a film. We've moved them out of adult into the restricted classification; and as the minister has said we have cut some violence. I would not go so far as to say a great deal of violence but certainly we have cut undue exploitation, whether it's violence or sex or whatever; but on violence mainly we certainly shortened those scenes



so that we do not destroy the total integrity of it.

[4:45]

**Mr. Roy:** Your answer leads me to my next point. Apart from trying to arrive or grapple with what is obscene or what is socially acceptable, there is the other aspect of mixing organized labour into the distribution of some of this stuff. It puts another aspect to the whole approach to obscenity. If I can make my point more specific, the Law Reform Commission and Pat Hart over a number of years have tried to suggest that when we get involved in situations of so-called victimless crimes—people see films or look at books or we have body-rub parlours and all of this—there is no great harm to society or even to the individual involved in that. But when you get into a situation where the people behind that who are satisfying this type of appetite are bringing in tremendous profits and acquiescing in organized crime making these huge profits from this, that sort of throws a different aspect or a different light on it, whether it is films, books, peep shows or whatever.

Commenting on Mr. Gregory's earlier comments, I think that as far as films are concerned we have done a much better job than we are doing for magazines. At least we are saying we will control rather than prohibit them and control them age-wise and with categories and this type of thing, which is an approach that we have not taken for magazines. Mr. Drea was mentioning what was not acceptable in a particular film that he mentioned, cut-out scenes, but you could see the still photographs probably in magazines that you could pick up at your Mac's Milk store and that the kids and young people could get them quite easily.

**Mr. Drea:** Not today.

**Mr. Roy:** Well, not today. It was only a couple of weeks ago the Star started publishing certain things.

**Mr. Drea:** Maybe that is why Mr. McMurtry did what he did.

**Mr. Roy:** In any event, I would think again there is a dilemma. Since day one of this society we have had problems with this. If you try to prohibit it completely, are you just playing into their hands, driving it underground where the profits are higher and where it is going to go on anyway? I approve and I would like to see this type of approach taken as far as magazines are concerned as well,

where you make certain cuts, where you restrict and control to a degree what can come in and control who could see it. I would think you can control it by extending, as you have done, the restrictions to 8 mm and otherwise. My question following from this is do you have any control at all over films shown on television?

**Hon. Mr. Handleman:** No. Many of the films shown on television come directly from the distributors of film. If they have shown them in theatres, normally the print they give to the TV network is the same print that has been through the theatres, but it is not necessarily so. They can have their own prints which are different from those which have been seen in the theatre.

**Mr. Roy:** Your jurisdiction rests with the theatre. Once it gets into the airways, then you are talking about another area.

**Hon. Mr. Handleman:** We have no jurisdiction over broadcast material per se. Most of that film has already been shown in the theatres in Ontario and it is the same print that has already been through, but not necessarily so.

**Mr. Roy:** What about the closed circuit films that are in hotels?

**Hon. Mr. Handleman:** We are claiming jurisdiction at the present time.

**Mr. Roy:** You are claiming jurisdiction?

**Hon. Mr. Handleman:** We are claiming jurisdiction on them because they are not broadcast material and they are being shown for commercial gain. They are either on videotape, 8 mm, 16 mm or 35 mm. We know of no other form of moving picture at the present time. Our Act gives us jurisdiction over that except when it is broadcast; so we are claiming jurisdiction.

**Mr. Roy:** Would part of your jurisdiction be based on the fact as well that it has something to do with cable?

**Hon. Mr. Handleman:** If it is not broadcast and it is being shown for commercial gain, directly or indirectly, we claim jurisdiction.

**Mr. Roy:** Let me go another step. What about the films that are shown—I don't know what you call them—these stores that have a back room where you put in a quarter?

**Mr. Drea:** The Vanier mini-theatre where the police chief was arrested.



**Hon. Mr. Handleman:** We took jurisdiction last year.

**Mr. Roy:** Mr. Drea is all mixed up. The police chief was arrested in relation to body-rub parlors.

**Mr. Drea:** Yes, but they were taken from the Vanier mini-theatre across the street.

**Hon. Mr. Handleman:** I don't know the evidence in the case but our amendments in 1975 gave us jurisdiction over other forms which include the coin-operated machines. They were either videotape or 8 mm which had not previously been covered.

**Mr. Roy:** You have jurisdiction over these.

**Hon. Mr. Handleman:** Many of them are closing down because the chief appeal was advertising the thing as uncensored.

**Mr. Roy:** That's right.

**Hon. Mr. Handleman:** They may not have been any more lurid than the stuff that was censored but the appeal to the public was that they were seeing something which they thought was uncensored and therefore farther out than the stuff in the theatre. Many of them are now closing down because of lack of business.

**Mr. Roy:** I would think so. If you are cutting out scenes that were mentioned by Mr. Drea, I would think that in most of these, at least from my discussions with the Ottawa police, basically what they were were stag films. In that context, all you are getting is group sex and all of this. There wouldn't be that much left to be shown for your quarter. I think there would be very few of those could operate.

**Hon. Mr. Handleman:** Most of them are closing down.

**Mr. Roy:** The reason I mention that is from my discussion with the Ottawa police, again there was some evidence that organized crime was involved in the backing and distribution, giving the operators or the local distributors some form of letter guaranteeing that if they were prosecuted they would pay for legal fees and the whole bit. The profits were tremendous. The Ottawa police were able to seize some of the books from some of these small joints in a period of 12 months. One of them had made \$92,000 or something. It was just a fantastic amount of profit.

**Mr. Drea:** There are three who are now charged under the Criminal Code and the evidence on the three came from right out of

this branch. That is in the city of Ottawa alone. There is some discrepancy in Vanier because the police chief is still up on charges and I don't want to discuss that.

**Hon. Mr. Handleman:** The question of profits being earned by these corporations that are involved is not in itself anything to criticize. Our concern is that because organized crime sees profits in a variety of ventures, in prostitution and in drugs, these things lead to some amount of corruption.

For example, one of the most revealing things to me in our investigation of this thing was that one of the organizations in Toronto, we discovered, had for no reason whatsoever, in bringing all this material into Canada, smuggled it in. There was nothing illegal about the material itself and there was nothing illegal about the equipment. It could have been declared at customs, the duty paid and brought into the normal commercial area. But because it's in their blood to disobey the law, they decided to smuggle it in and never paid. This is the kind of thing we are concerned about. Organized crime operates many legitimate businesses. They are legitimate and there is nothing you can do about it. But here's an area we think we can control and at least keep it from spreading. We are not going to stamp out organized crime in my ministry, or white collar crime, but we can keep it from spreading. That's what we are really all about in this branch.

**Mr. Renwick:** Did he say he was going to stamp out organized crime in his ministry?

**Hon. Mr. Handleman:** No, we can't; I said we can't.

**Mr. Roy:** That's all the questions.

**Mr. Reed:** I don't want to participate, really, in the debate on censorship, but I just would like to ask the ministry if they are monitoring some of the experiences in other countries where censorship has been simply removed and then life allowed to take its course. I am referring specifically to Denmark.

I can remember in 1968 a friend of mine was there and one of the things that concerned him greatly was the amount of pornographic material that was available for sale and displayed right on the street, in the news vendors' stands and so on. It was very explicit material. Apparently in the last few years, according to my information, the pornography business in Denmark has fallen on rough times. It's largely dependent on its export business to keep it viable.



If that observation is at all accurate, it would make one tend to believe that people do have the ability to view these things and make the decision for themselves that something is obscene, disgusting and indeed not worth viewing. Mr. Drea said something very profound earlier on when he said: "By gosh, if you saw some of these things, you'd know what I was talking about." I happen to be one of those people who believes if the majority of citizens in this province saw some of those things they would soon make the decision as to whether or not to pay the money.

I just wonder if you have any comments on just what has happened in some of these other countries where they have passed through this cycle and this stage in history.

**Hon. Mr. Handleman:** I think you describe it well when you call it a cycle. I have been to Denmark a few times and I have seen the cycle develop. There was a time when it was in the back alleys. It was always available in Denmark. I think you could always get it under the counter, the same as you could here. Then it became open and then it became flagrant and then you got a public reaction to it.

It was all right to say that statistics, on sex crimes were down and so on, but the public reacted against it. They found it offensive. It was driven again away from the Strogut. I think there were about five shops in this main shopping centre where there were people out hustling the material on the streets, dragging you in and this sort of thing. It was taken off and put into back alleys and special areas. I think censorship has come back to Denmark in that form. I don't think that there is a great deal that is banned specifically but the tendency there is to keep it away some place other than in general public view and that is censorship no matter what you call it. Mr. Sims has more up-to-date information than I have.

**Mr. Sims:** No, I was there in 1970 and saw this scene. It was the first real horrendous experience I had on the mall there. I call it horrendous because I took my wife to it and she wouldn't talk to me for three days. It covered just about everything we have seen here, with the exception of the depravity which we have in some of the newer things we are seeing today. The information I get now is that it was mainly tourist business; and indeed we participated in it. Local citizens in Copenhagen are now demanding censorship back, at least for their little bailiwick.

**Mr. Drea:** In all fairness, that is not exactly true. There is a concern because certain conventions or certain tourist groups won't go to Denmark because of the public stigma. Let me tell you, there is at the moment being filmed in Denmark—and I am sure Mr. Sims is aware of it and I am also sure it will never be seen in Ontario, not even the title—a film which purports to deal with the sex life of Jesus Christ. I want to make it very plain that I am not being blasphemous, but involved in this film, with a prominent number of European actors of considerably high stature, are scenes of copulation, fellatio and cunnilingus.

It is now up to the Danish Parliament, because that has really gone too far. The argument in Denmark now is as to whether that should be allowed to be filmed. There is no argument whatsoever by the Danish Parliament that it will never be shown in Denmark. It is merely a question of whether it can be allowed to be filmed.

All I want to say to you is that in terms of letting the public seek its own level, and somehow that is always down, on this one you have come to the penultimate. You have gone about as far as you are going to go. That is one of the very real questions in the Danish Parliament as to whether or not it will be allowed to be filmed, let alone shown.

[5:00]

**Mr. Reed:** I think I have a little more faith in humanity than that, Frank.

**Mr. Drea:** No, I don't, I'm sorry.

**Hon. Mr. Handleman:** Some commercial producers saw a chance to make some money with that kind of film.

**Mr. Drea:** I'm sorry: If you could see the list of people who are going to perform in it, then I'm rather afraid that your rather naive look at the entertainment medium might be changed.

**Mr. Reed:** As one who has been rather actively involved in it for 10 years I can tell you I am not speaking through naivety. However, Mr. Minister, I just wanted to ask the question, and if you are in—

**Hon. Mr. Handleman:** I think the experience of other countries shows that these things do go in cycles, and I don't know what part of the cycle we're in but we're certainly not in a permissive part of it.

**Mr. Roy:** It is a point that Mr. Lawlor made earlier, when you talk about cycle there's this awful competition of trying to outdo the last segment. You'll see one seg-



ment of a film which has been a tremendous success and so they try to make another sequel to it and go one better, and then somebody else tries something else.

Regarding the way you operate on theatres, I personally like the approach of saying okay, it's more reasonable, it's more acceptable, it's more logical and practical to control it rather than to prohibit it, then we can control who sees it and put restrictions on it and this type of thing. I wonder whether there's been any attempt to extend your mandate to cover other things than just film? The reason I ask is I get into, let's say, books, magazines and this type of thing, and we know there's no control there. Some stores say buyers must be over 18 or whatever, but I've been up to the Attorney General's office and I've seen some of the stuff they've taken off of the shelves—maybe they got it from you people, I don't know—and some of that stuff is really wild.

Of course, the major concern has to be when I walk into Mac's Milk or Becker's or whatever with my five-year-old son and he has this in full view.

To me that would be a better form of control than just occasionally seizing the stuff and then they stop for a while and then you go back. You know what they've done in bookstores not only in Toronto here but right across Ontario. For a while the seizures by the police sort of ease off and then they crack down again after certain complaints, or maybe a particular issue of a particular magazine gets everybody excited. It might be a better way of controlling magazines and books, the way you are doing it with film, than to say "Is it the Attorney General who does it, or is it going to be the people at the border? Is it going to be the federal Customs people? Are they going to open up every package that comes through?"

I have more faith in your approach, using experienced people to reflect community standards. Your records certainly indicate that you've had few complaints or just a few films which have been some of concern to the community after they've received not your approval but at least your acquiescence. I have more faith in your people than I would in just leaving it to the local authorities, to a particular police sergeant who doesn't like a particular magazine and goes in there and performs a seizure. Has there been any talk of this approach being used provincially?

**Hon. Mr. Handleman:** No, there's a problem of constitutionality. You are aware, I'm sure, that British Columbia tried to control

advertising content in certain publications and they were told they had no jurisdiction over it. The only control that I know of is the Customs Act, which provides to the Minister of National Revenue the power to ban—not to censor but to ban—certain publications under the Customs Act, and that was challenged many years ago on, of all things, "Peyton Place." I think a good friend of yours, Mr. Gordon Henderson, represented the publishers in that case before the Tariff Board. The Tariff Board said that the government had no jurisdiction in the field and that was the end of that.

As "Peyton Place" was not banned, the customs people threw up their hands and now don't exercise the power that's still there, simply because they claim they don't have the qualifications to do it. It's the same thing as you're saying—that many of the customs officers, most of them, are not trained to carry out this function. Anything they do seize temporarily is sent to Ottawa, as I understand it, for scrutiny and some senior person in Ottawa then says yes or no. In most cases, they're very aware of the limitations of their authority.

That's where the control lies now, in the Customs Act; and of course even that would not apply to matter printed in Canada unless the plates were imported, in which case they could seize the plates. If you simply import this industry from the United States into Canada the question is whether it would be approved. There are some Canadian skin magazines and they're having a difficult time of it commercially. There is one.

**Mr. Roy:** I tell you that some of the stuff you've described in that one film is tame compared to some of the stuff I've seen in some of these magazines.

**Mr. Drea:** I can tell you.

**Mr. Roy:** They are not in plastic cases, they're just there on the shelf.

**Mr. Drea:** I can tell you that the government of Canada participated—certainly in a very sizable minority position; it's not to the point of a majority position where it could be shown in Ontario without censorship—in a film called "Sweet Movie." We all know that censorship in the United States for practical purposes is dead. "Sweet Movie"—how much was it? A third to 40 per cent?

**Mr. Sims:** It's one-quarter.



**Mr. Drea:** One-quarter, anyway, was paid for by you and me out of our taxes. "Sweet Movie" is going to bring back censorship in the United States. That was paid for, in a very sizable minority position, by the Canadian government, through the Canadian Film Development Corp. It took the position that the script seemed good but we didn't know what they really did at the end. I can tell you that people in the United States are saying, "This one is it. Notwithstanding the Supreme Court of the United States, we're going to take this one to the Supreme Court of the United States."

That particular film cannot be seen in Ontario and I'm not going to describe the particular phenomena which appear in there—they're beyond belief—but you and I, as taxpayers, paid for it. When you question the federal government about it, they say they don't want to censor the Canadian Film Development Corp. and they have every right to put money in. I find it highly unusual that a Crown corporation set up to provide employment not only for Canadian actors and actresses—God knows they need the work—but also for technicians and all the other people who make the entertainment industry work had most of that film shot in Holland.

Here's a great investment by the Canadian taxpayer. You can talk about control or anything else and here the thing is going throughout the United States and people are absolutely appalled. I will say one thing for the Canadian government—at least they kept the Canadian government off the credits. That's what you get into in this situation.

**Mr. Roy:** We're not here as defenders of the Canadian government. Mr. Sims would probably agree with me that one of the things you have to be careful about is that there's such a thing as not telling a producer what is socially acceptable or what is permitted. That's the difficulty in all funding. They had the same problem when they were giving out LIP grants, I suppose, for every sort of thing.

**Mr. Drea:** In all fairness, to the people who gave out LIP grants, I think with this film you could take a look at the producer and the director and everybody else and if they're Canadians you could charge them and put them in Penetang for the rest of their days and there wouldn't be any problem. I'm quite sure you would agree with me. I'll describe it to you outside and I'm quite sure the hair will go off the top of your head.

**Hon. Mr. Handleman:** I think Mr. Roy should go up and see some of these things for himself.

**Mr. Roy:** I might go up there sometime.

**Mr. Reed:** All I can say is I think that if more people got to see material of that nature, there'd be less of it around.

**Mr. Drea:** I think that is an argument which really doesn't sustain itself. I have seen some films—I've expressed this before—after seeing a film like that—these were depictions of violence, just straight violence; guillotining; disembowelments; the whole bit in a most realistic manner—and my first thought was that they would need a clean-up operation in the theatre. You say that to the distributor, and they say: "Oh no, it's been shown all over. There were no complaints, nothing more than ordinary. It had stand-up lines."

And at that point, I think, you seriously begin to wonder. It's a matter of record that the movie distributors, who are the people in the commercial end of it, are profoundly concerned and are looking to government. The movie distributors themselves, and this is part of an artistic field and I find this extremely significant, they want the censorship that Ontario has provided over the years to continue. They are absolutely terrified—a) on artistic standards; and b), on the economy and the viability of the movie industry—that if we got ourselves into a position, as they have in the United States, where literally there was no censorship and everything opened up, they are profoundly concerned about the artistic integrity of their industry. I think on that point the people who want to argue the abstract, that the law is the law and censorship is this, that really at that particular point they have to take a look at the practicalities of it.

I may say it is very interesting for Mr. Lawlor to raise his philosophical discourse, I found it very interesting. I am not a Jansenist and I find it very interesting that Mr. Lawlor is.

**Mr. Chairman:** Oh no.

**Mr. Drea:** Well that was quite an exposition of Jansenist philosophy. I found it a little disturbing, in your middle age, but—

**Mr. Chairman:** I want to get this vote over with and—

**Hon. Mr. Handleman:** You are not going to respond, then, Mr. Chairman?



**Mr. Drea:** No, I agree with his comments but I think there is something else that has to be looked at, and that is that today we live in an age of violence, whether the young child wants to read, to listen, to look. I feel there is a point where society simply has to cut back. I may say it is very interesting, on behalf of the solicitors here, and I can understand their difficulties with obscenity or good taste; these are very difficult things to define. I refer you to Mr. Justice Harlan in the United States, and without quoting him directly the input of his argument is that pornography and bad taste are what the person immediately recognizes; and I really think if the courts could come to that decision we might be in for a better world.

**Mr. Chairman:** Any further discussions?

**Mr. Roy:** I'm sorry, just one quick question. I missed the discussion about the case presently before the Supreme Court of Canada. Has it been argued yet?

**Mr. Drea:** No.

**Hon. Mr. Handleman:** No, we will be intervening.

**Mr. Roy:** You will; in the fall?

**Hon. Mr. Handleman:** Whenever it is heard.

**Mr. Roy:** Thank you.

**Mr. Chairman:** Is item 2 carried? Carried. Item 3, lotteries. Is there anything on lotteries?

**Mr. Roy:** I was just going to ask the minister, on the question of lotteries, why this matter is not all put into Culture and Recreation? I don't want to be critical of what you're operating, in fact I've had some discussions with—

**Hon. Mr. Handleman:** Mr. Fisher.

**Mr. Roy:** Mr. Fisher, yes. I've had discussions with Mr. Fisher as to why it's not all under the Ministry of Culture and Recreation.

**Hon. Mr. Handleman:** The corporation has been set up for one specific purpose, which is of course to operate the Wintario lottery. I think the function of our lotteries branch is not to run any lotteries but to control and regulate them, and I think it is best that the two areas are divided. I know when it first came up I thought the same thing; why not either put it all in one or all in the other,

but I think the operation of a lottery is completely separate from the control and regulation of lotteries across the province, both local and provincial, and I think it's best that we keep at arm's length from each other. So there hasn't been any thought of putting them together in one ministry.

**Mr. Roy:** The reason I was suggesting it was that most of these lotteries are carried on for charitable purposes or for cultural things. There are a variety of projects involved, and I suppose I'm one who likes to see things just a bit neater than may be practical, but it just seemed to me they are transferring an awful lot of things to Culture and Recreation, you know involving all the things that used to be under Community and Social Services—encouragement of baseball teams and minor leagues and all—I wondered why they wouldn't just put lotteries in that group.

[5:15]

**Hon. Mr. Handleman:** I think just for the reason I said, that the regulatory aspect of lotteries is separated from the operation of them. The kinds of people who are licensed to conduct lotteries are charitable or religious organizations; community-oriented groups such as senior citizens' clubs; lotteries conducted by agricultural societies; games of chance at fall fairs and public places of amusement; and special licences for things like Monte Carlo Nights and millionaire nights which are run on a one-time basis by local organizations.

I think the idea of supervising and controlling them is one thing and operating the lottery is another skill entirely. I just don't think they should be merged, although I did at one time. I have now been convinced that regulation should be kept separate from operation.

**Mr. Reed:** Does your ministry have any participation with, for instance, Wintario to ensure a specific percentage of the money is paid in prizes or anything of that nature?

**Hon. Mr. Handleman:** No, that's covered by their own legislation and their own guidelines, and it's fairly clear. It's 40-40-20. They use 40 per cent for prize money, 40 per cent for grants and 20 per cent for administration. As far as I know they have followed that very religiously.

**Mr. Fisher:** Does look at other lotteries in the province. I think you have to allow a certain amount of flexibility. There are certain lotteries where it is quite obvious the amount of money eaten up by administra-



tion does not warrant, for example, another one. We may give them a licence the first time and they are allowed to make one mistake—sometimes even two as happened in my area—but eventually you have to say no to them and tell them they can't have another licence to operate a lottery. This is where problems arise.

**Mr. Roy:** Have you had any complaints from these local lotteries that Wintario was cutting into their field of activity and making life a bit more difficult for them?

**Hon. Mr. Handleman:** I think that's pretty natural with any lottery opening up in an area—and Wintario is province-wide. But we also have other province-wide lotteries that are licensed. They go into other areas and they cut into the small local one, which is limited in its prize money and limited in the scope of its operation. Yes, certainly there have been complaints. I think the question of policy formulation is one the government has to tackle. Wintario has certain objectives, and it's a pretty aggressive merchandiser and very successful.

But there just doesn't seem to be a limit to the amount of gambling money there is around. If you opened up 10 lotteries it seems there would be people who would continually buy tickets; I don't know.

**Mr. Roy:** That seems to be the theory in defending Wintario.

**Hon. Mr. Handleman:** Right; but there have been complaints, certainly.

**Mr. Chairman:** For lotteries in 1975, there were 57,621 municipal licences and 2,688 provincial. How is that done as distinguishing between the two? Does the province have anything to say about the local, in other words?

**Hon. Mr. Handleman:** Oh yes, but I think Mr. Fisher can explain the mechanics of that. There are different criteria for a lottery that wants to have a provincial licence as compared to one under authority of a municipal council. Mr. Fisher, what are the criteria differences?

**Mr. Fisher:** In all those instances where the total prize structure—in the case of bingos—does not exceed \$3,500, then the group obtains a municipal licence; if it's a raffle lottery then \$5,000 is the cut-off point, and under that you get a municipal licence and over \$5,000 you get a provincial licence. That was arrived at some time ago, in the early stages of setting up the legislation, for the

reason that it was a police jurisdictional problem. When you are running a small lottery you're confined pretty well to the local area, so that local police can control it. When you get into the larger prize structure, then of necessity you have to go outside a municipality. If something goes wrong, because of the geographic location there may be a question as to who investigates; but if we issue the licence we can have the OPP anti-gambling branch take a look-in anywhere. This was the idea of the cut-off in the prize structure.

**Mr. Chairman:** One further question: On the games of chance licence 851, what does that involve—crown and anchor games, roulette, blackjack; what?

**Mr. Fisher:** The games of chance take place at our 241 fall fairs along with, of course, the charitable, religious or community-oriented groups that might hold a stag night or something like that. Yes, it's crown and anchor, over and under and the like. We limit the Monte Carlo nights to five blackjack tables and five wheels. Or, in lieu of the blackjack tables, if the crowd warrants it, they can get a licence to operate 10 wheels. But we also limit the payouts in the prize structure to a 50-cent bet and a \$2 payoff, so you keep it down in the lower limits in a case like that.

**Mr. Chairman:** Has that ever been challenged with respect to the Criminal Code?

**Mr. Fisher:** No, it hasn't, Mr. Chairman. If I may be permitted—and probably I'm telling you the obvious—section 190 of the Code, of course, says in subsection 1(c) "that a charitable organization may, with a licence, manage and conduct a lottery scheme or games of chance." Then subsection 2 of section 190 says the people who licence—the Attorney General or whoever it may be in some of the provinces—"may set terms and conditions on those licences." We set our guidelines under that subsection 2 of section 190.

**Mr. Chairman:** Are there any further questions with respect to this?

**Mr. Roy:** I just want to ask one further question, Mr. Fisher. I experienced a problem some time ago and I had discussions with you about it. I believe it involved municipalities that were going into senior citizen homes where bingo games or the like were being held and wanted them to pay a fee for some sort of a licence. Has that been cleared up?



**Mr. Fisher:** Yes, as a matter of fact, it has been cleared up, but I'm still hoping to go to Ottawa next week, if I'm not on the estimates, and talk to these people. What happened was that, because it was senior citizen housing in your case, the municipality was involved as a third partner in a provincial-municipal-dominion partnership.

**Mr. Roy:** That's right.

**Mr. Fisher:** The municipal people were involved in there and, I think, perhaps tried to over-regulate—may I say that?—what the senior citizens may do there. But a little moral suasion, I think, got around that, although the one chap I was talking to said: "Moral suasion, hell; it's the crack we get if we don't do what you say." I don't think this is true. I think we used moral suasion and everything was resolved.

**Mr. Roy:** It would seem to make sense that you wouldn't charge the senior citizens, for whom this obviously is just a pastime—there's no profit motive—every time they hold a bingo game. What were they trying to charge them, \$2?

**Mr. Fisher:** I think it was a \$2 fee, but again under order-in-council 274-70 a municipality may regulate. In all fairness to the municipality too in this instance, it costs X dollars to regulate. There's the issuing of the licence and the policing of it, and they felt it took X dollars to regulate each licence. However, we did have the same problem in southern Ontario a couple of years ago, and I was able to resolve it there by going to the municipal people and talking with them for an hour or two. The result was that they issued a licence for a year. It was a series licence for X bingos—in this case, 50 bingos—and it cost \$10 for the complete year. Everybody was happy all around.

**Mr. Breagh:** Could I ask one quick question? I assume, and I'm rather sure now, that this is covered by your department. There appears to be a new phenomenon—I guess it's not that new—that is, the all-night gambling junket. I understand that you probably would regulate that under this department.

**Hon. Mr. Handleman:** Gambling is not taking place here. What we are looking at is the possibility of that coming under the Travel Industry Act, but that's a different vote.

**Mr. Breagh:** So that there might be a different approach to it.

**Hon. Mr. Handleman:** Gambling is outside of our jurisdiction. If people go to the Bahamas to gamble, as they are, our only concern is that the plane shows up to get them back. If they have lost all their money in the Bahamas we have no concern about that.

**Mr. Breagh:** I am just wondering about that aspect of it. I recognize that it is a rather difficult problem but to be blunt about it the advertising is certainly done here; tickets are certainly sold here; clearly the intent is established here.

**Mr. Drea:** No, they are not sold here.

**Mr. Breagh:** No tickets are sold here?

**Mr. Drea:** They are sold in the Bahamas.

**Hon. Mr. Handleman:** We have looked at the advertising. We are told by our legal people that we have no jurisdiction.

**Mr. Breagh:** I see. Has there ever been or is there now anywhere in Ontario where someone is attempting to make that form of gambling in a legal way?

**Hon. Mr. Handleman:** We have had the odd inquiry about having lotteries and gambling casinos and we have been fairly rigid in approving any of these. In other words, the thing that Mr. Fisher mentioned—the restricted number of wheels and games of chance and the restricted prize money—keeps out whatever criminal element there might be. This is pretty well a house game by which people raise a little bit of money for local charities. If we ever allowed larger stakes—the unlimited type of operation—I think we would be in serious trouble. To the best of my knowledge, since I have been minister, I have received only the odd application for a week-long casino, for example, with higher prizes and we have said no.

**Mr. Breagh:** Every once in a while, I guess, questions pop up about fall fairs and things like that and whether it is gambling or something else.

**Hon. Mr. Handleman:** They are licensed; they are controlled and regulated by us.

**Mr. Breagh:** The means you are using to control it are limiting how often it can be held and how large the stakes can be?

**Hon. Mr. Handleman:** That's right.

**Mr. Breagh:** In effect, let me ask you this question; is there any law on the books in Ontario which really says that a gambling casino per se is illegal?



**Hon. Mr. Handleman:** The Criminal Code outlaws gambling unless we license it; pretty well.

**Mr. Breaugh:** Yes, but—

**Hon. Mr. Handleman:** That's pretty well what it is. If we license it, it is legal.

**Mr. Breaugh:** It's an interesting proposition.

**Mr. Chairman:** Does 1304 carry?

Vote 1304 agreed to.

On vote 1305:

**Mr. Chairman:** I have a couple of comments. One has to do with your statistics in 1975. There is a considerable switch—and I think it is a good thing—between the land titles offices and the registry offices. More and more restrictions are being made at land titles and the revenue picture gives some indication of that. It has gone up from \$2.6 million in 1974 to \$3.3 million in 1975 in the land title system whereas the registry system has declined. Is that an ongoing policy of the government and how is it working?

**Mr. J. K. Young:** With regard to changing from a mixed system to, ultimately, a land title system—is that your question?

**Mr. Chairman:** Yes, that's basically it.

**Mr. J. K. Young:** As you are aware, there was a Law Reform Commission report on that a few years ago which recommended that we change the system over to land titles. However, it is one thing to say and another to be able to carry it out.

We discovered on examination that there was a tremendous amount of work and a lot of money involved. For instance, one of the interesting things we have discovered is that it takes more people in the government—more civil servants—to run a land title system than the old registration system. The total cost to the client of a land title system would be less because there isn't nearly as much legal work once it has been done once. The cost to the government would be greater. Of course this came along, as you know, during lean times and so we haven't been able to proceed as quickly as we might have had we had the funds. However, the situation right now is that we are studying it. We have a system known as POLARIS—which is Province of Ontario Land Registration and Identification System, isn't it?

**Mr. Chairman:** I thought it was a guided missile.

[5:30]

**Mr. J. K. Young:** At any rate, that is the name of the project. It is almost completed; we expect to take it forward to the government very shortly.

It will have a range of methods of doing it. You can just declare everything land-titled if you wish, and then take a chance, and then try and cure everything. And then you can go to the other extreme and you can do complete new surveys on almost everything, and spend a tremendous amount of money. So there is a whole range of approaches to this subject. These will be covered in this report, and we hope to take it to the government.

**Mr. Chairman:** I take it though that what you have done in the past and are continuing, I trust, to do is to take blocks of property, quite indiscriminately—or maybe you have some principle on which you are operating—from the registry system and swing over a whole area into land titles. That involves your searching those titles, clearing up the clouds and giving an absolute title.

**Mr. J. K. Young:** We were doing that from time to time, up until very recently, but with restraints on government expenditures we have not been able to do it as progressively as we would like to.

**Mr. Chairman:** It's a shame, like many other things.

A second question I have is the retail sales tax. That has declined by \$200,000, from \$1.8 million to \$1.6 million, over the period of a year. What is the reason for that? Is it because solicitors are not within the land transfer tax affidavit, setting out retail sales tax—

**Mr. Dillon:** Mr. Chairman, I think it would be very difficult to provide an answer to that without gaining more information from the Ministry of Revenue, because as you know there is the option that you pay that retail sales tax directly to that ministry.

**Mr. Chairman:** Yes. I suspect that it is a damned nuisance. How is one going to estimate the value of the old furniture that has been out in the garage, and is being transferred as the property is transferred?

Anyway, the final question I have is with respect to your inspection of foreign properties; those properties that are offered in



Ontario for sale in a foreign jurisdiction. In the old days the minister himself used to make a visitation to the coast of Spain.

**Hon. Mr. Handleman:** Never, the only one that I have looked at in recent months is a property in Quebec, which is not far from where I live. I was able to drive up and take a look at it. We now have managed to persuade the people who are selling property in Quebec to Ontario residents that they should file a prospectus. We actually have one filed and we are going after the others that have been advertising. But no, I have never been to the coast of Spain.

**Mr. Chairman:** Same thing with property in Greece? They are filing prospectuses?

**Hon. Mr. Handleman:** Oh yes, those are inspected by our inspectors, never by the minister.

**Mr. Chairman:** Have you any idea of the number of inspections in the last year? It's been dealt with? I cut myself off!

**Hon. Mr. Handleman:** While we are on it, of course, I should say the costs of all of those inspections are borne completely by the developers who pay the actual price right into the ministry.

**Mr. Chairman:** No problems in that area, anyhow, with Ontario residents being mulcted.

**Hon. Mr. Handleman:** No, there are still some areas where I must say that advertising appears in the papers and we have been depending on the newspapers to stop the advertising from appearing. When we do find it we warn the newspapers and that's the way we control it.

**Mr. Chairman:** We're taking this vote 1305 as a whole.

**Mr. Breaugh:** Mr. Chairman, I would like to raise something under item 2.

**Mr. Chairman:** Okay.

**Mr. Breaugh:** The specific problem I want to raise has been an enormous problem in my riding. I am having some difficulty finding out whether it has spread across the province or not. It has to do with the registration of condominium units.

I made some inquiries in Toronto, in Ottawa and a few other centres, and there seems to be a much different approach taken with people who are marketing condominium units. In a number of places where I have

inquired the registration is sought first, and then they market it. In my area, that's never been the experience. In reading the Act the requirement there is that when the majority of the units are sold you get registration and you do it as quickly as you can.

Let me put it to you from the point of view of the consumer, which is the one that I have to deal with. I read your little booklet on it and I really think it is quite good as something that's in digested form that the public can read and understand. But it only gives about a paragraph or two to what happens from that unfortunate moment that people, in my riding anyway, decide to go in and purchase one of these things until it actually gets registered. And it does say—and I give you credit for this, quite frankly—that until such time as it's registered you pay rent or whatever you want to call it.

People in my riding have had some really unfortunate experiences with trying to get these things registered—with the process that they go through and the agonies that they're put through. There are, unfortunately, a number of things that come together on these people all at once, it seems. It's at the point now where I'm really telling people: Don't buy any condominiums, in my area anyway, because of the headaches that you'll have to suffer. The procedures are not explained to people very well and the law is worded in such a way that there isn't a lot of protection for them.

Part of the problem—I have to put it this way and the chairman won't like it I suppose—is that when people get lawyers to conduct their legal transactions, particularly in condominium sales, the explanations given to the person buying are next to nil. I'm afraid they are left with the assumption that it's very much like buying a house.

As an example, the sign says "Condominiums for sale." That's not really true, because the condominium units are not yet registered and the people can't buy them, of course, until they are registered, and yet no one bothers to tell them about that. At least, I've not had one come to me who really understood what he was buying into in a very strict legal sense, nor do they understand the kind of delays they are likely to face.

For instance, when most people come to my office they tell me that the salesman told them that the units are now in the process of being registered; it's just a matter of selling off X number of units and then it will be. It might take two months at the outside. The average that I have on the complaints list



anyway going through my office is closer to 18 months, and in some cases two years, and in one case there is virtually no prospect in the near future that it's ever going to be registered.

From a consumer's point of view it's doubly bad, and let me list some of the problems. This will take a while so I hope that you will kind of consider these and you would respond to them the next day that we sit.

First of all there is the matter of the advertising, which I really think is misleading. Is it right that somebody is allowed to advertise condominium units for sale, when in fact they can't really buy them until it's registered and that may be a number of months, or even a year or so hence? I'm wondering how ethical that practice is. In my mind anyway—certainly with some of the cases that I've got on file—it's bordering on the illegal. I don't think it would be a sane thing with any other commodity you buy, or with any other kind of housing that you might buy to say that you pay your money down now and that maybe 18 months from now, maybe two years from now, you might get title to the property.

There are some great difficulties and some of them would be corrected by the home warranty programme that you announced today—some might not, because some of the units will obviously have been built by the time that plan is in effect or are already up.

I guess the saddest case that I've got is one that concerns a lady whose husband died and she decided that she didn't want to live in a house any more because she really couldn't look after it. It seemed quite a sensible thing. The condominium units that were offered were quite attractive, especially in their early stages—and certainly the brochures were.

She, of course, happened to be in that unfortunate position of having cash to purchase. In this case, in round numbers, \$50,000. She got the money out of her estate, and put the \$50,000 down. That was close to two years ago. She still does not have the unit registered. There have been all kinds of problems with the company that built the unit. Mr. Moffatt, in his earlier dissertations on lousy housing builders, used this particular company as one example. Because the construction of the units was not very good there were a lot of problems. There were subtrades that went bankrupt. Ultimately the company that developed the property went into receivership as well.

Now, this lady has put out her \$50,000; she now has a lawyer trying to retrieve portions of her investment. It appears, from what we can make out of it, that her chances of getting all of the money back are next to nil. She may get portions of the money back. That's a pretty rough thing to tell somebody who is at her particular stage in life. She is not an old woman, but then again she is not a young woman either. And that is a lot of money.

There are one or two other people who have put down a reasonable amount of money—\$10,000 or so—but most of the people are not too badly off, because this particular dispute has simmered for some time. I think the down payments were advertised at \$1,200 or \$1,500 at the time they put in offers to purchase about a year and a half ago. Because they were having ongoing problems with the developer in finishing off the development itself, in trying to get things corrected, they got themselves a lawyer to represent the group in a kind of a class action. About seven months ago, he pointed out to them that because none of the work was being accomplished—they were having great difficulties getting the developer to fulfil the development per se—they should withhold payment of any rent or whatever you care to call that monthly amount that is put down. That is quite legal, of course, and they did that.

They have been living there for about seven months now, not paying rent, and if you say they put \$1,500 down and it costs perhaps \$250 or \$300 a month, then at least they have got their money out of it in a weird sort of way. That's not to say that they have got any compensation for having to pack up and move, for the kind of legal mess it is into now, or for the kind of frustrations and expenses they had to go through in doing some kind of class action on it. All of that seems to be the current situation. Although it is in the Act and it is in your brochure, I am not sure the legal profession is really explaining to people how complex a thing it is to get into to buy a condominium unit.

I have had occasions when people were pushing me to try to get the units registered, and we went down and visited the development. In my area they tend to be mostly the townhouse kind of condominium, not apartment buildings. We took a walk around and looked at the wiring and the plumbing, and there were major problems there as well as major problems in the paving of a parking lot. There was a swimming pool that had



been advertised and that everyone understood would be a part of that condominium development, but it was not in place and there were absolutely no signs that it was going to happen.

I had to tell them, "I know you want to get it registered, I know you want to own that property, but I want to point out to you that if we get this project registered in short order, with all of this outstanding work having to be done, all of those headaches are yours. You will have to do the plumbing. You will have to do the wiring. You will have to repave the parking lot. What's more, a swimming pool that you think is part of what you paid for, isn't there yet. And if it isn't there at the time that the thing is registered, you can put one in yourself afterwards."

There is a kind of a funny process at work, in my area anyway, and I take it this is not really true across the province. We use the procedure of meeting with the developer, whoever put the project up, laying out the problems. By coercion, mostly, we get him to rectify the ones that he can. It's complicated in my area, I suppose, by the fact that many of the units were built under proper zonings as apartments or as townhouses. They had that proper zoning. And, of course, in the Oshawa area you know that we have lot levies. The municipality, of course, is a little upset that people are taking advantage of zoning that was given to them some years ago; that they sat on the land for six or seven years; that services were put in some time ago at the expense of the municipality; and that these people have in no way contributed to the cost of those services.

When this phenomenon of condominium sales started to come up in the area, the municipality passed a condominium bylaw, whereby the lot levies became applicable at the point of registration. So it became a way for the municipality to recover some substantial costs. I think it's fair to say it also became a way for the municipality to kind of plug a loophole by which some people had made rather substantial amounts of money. If you consider that a piece of property in my riding, in Oshawa, was bought in 1967 and the zoning went through in 1967, if the developer sat on it for the next eight or nine years, he made a rather substantial profit in the process and the municipality made a substantial outlay in providing services during that time period.

There is the matter of the lot levies. There are arguments back and forth. There are government-assisted home ownership programmes involved in this one. There are people who thought they were getting into this type of thing, because when they see that little blue trillium on the side out there they take it for much more than it is. They take it that in some way that particular condominium project is tied in much closer to the Province of Ontario than it actually is.

In fact, in some cases where they have looked at federal and provincial plans to assist them to buy a condominium unit, they find out when they get there and get talking about the fine details of it all that there really isn't that assistance present as yet; that the developer is thinking about using some federal or provincial funds to help him out but he really hasn't made that decision. Frankly, from a marketing point of view, he is probably saying: "If I can roll these units on the open market, I won't use the government money. If I have difficulty selling them, then I will hold back and will get into one of the assisted home ownership programmes that are around." It's a dog's breakfast.

There are a multitude of problems involved in it. I am not all that happy with the idea of condominiums. But I have to say in my area it is one of the few kinds of housing that people who live in the city of Oshawa can afford to buy. They can't even qualify for mortgages any more on single family housing. Nobody wants to build semis any more because if you go into multiple units, you want to go into town housing. That's the real bind that I am in. The average income in Oshawa is less than \$15,000. That's pretty high for the region and that's pretty high for the province. Yet they still cannot afford anything else. In fact, very few people now want to build single-family homes in Oshawa because they would price themselves pretty well out of the market.

The only kind of home ownership that's really a practical alternative for a lot of people is a condominium and they are still running around \$39,000 to \$40,000—some a bit more, \$45,000 or \$50,000. The average person making a substantial salary, but not over \$15,000, can't really qualify for much else except the condominium. From what I can gather, in other places in Ontario this hasn't been a problem of that size. In other places people who are developing condominium units for sale in some instances registered the units before they put them on the market. In most instances they proceed with them and are aware of what their costs are.



I am having some difficulty accepting developers who say that they didn't know that they had to pay a lot levy. Most developers that I know have pretty good legal staffs and they know what the current situation is and they know how much money they will have to lay out and what they can mark their units for. They seem to be making the case that they didn't know that, that they are caught in this bind as well. I have some difficulty believing that.

The unfortunate part of it is that in order to correct the situation—usually it's building faults or somebody dragging their heels—you have to kind of deal in that John Wayne manner that I discussed a bit earlier. You have to talk to the guy, and be a little hard nosed about it and threaten him with things. Quite frankly, the only ones that that works on are people who are still developing in the area, who have to bother about a reputation. The larger builders, the ones who are continuing to develop in the city, are reluctant but willing to fix up the project and to expedite the registration of the condominium units. Those who came in on a one-shot deal, if you like, put up some condominium units, aren't around, aren't going to develop in the area any more, and aren't terribly worried about their reputation as a builder or a developer in the area for the next five or 10 years. They are very difficult to move because you don't have much leverage on them at all.

There are a number of problems associated with it. There are so many of them that it's not a simple thing. I know this. It's kind of two very tough things to accept. They are about the last thing that people can afford and yet they are about the last thing that people ought to get into because of the complexities of it and because there are so many different angles involved in it. There seems to be very little protection for the consumer, although there probably would be if the legal profession as a whole really advised people properly. I think we all know that when most people buy a house or a housing unit of any kind that it's not unusual not even to see the lawyer. You don't get much of advice out of him but he gives you some kind of a rundown and somebody does a slight check on the deeds or whatever. In this area of buying condominiums, it is really becoming a headache and we are having more and more of them. Large groups of people are coming and asking what do they do, and it's very difficult under present legislation. I appreciate, first of all, the complexity of the problem. I do

appreciate that your ministry has taken the time and effort to do a brochure on it. I also appreciate that at least the degree of the problem is maybe worse in my area than in a number of other areas. But I do know of complaints that you've had and I know some of the actions that you've taken in the Toronto area.

I'm just looking for a very general response of where do we go from here? What moves can you make? Do you assist people in this regard? What kind of recourse does someone have who has laid out a substantial amount of money, perhaps even a cash purchase of a condominium unit and it doesn't get registered? The entire company goes into receivership or whatever. In theory, the money is held in trust until such time as the property is registered and the sale is completed. In practice, though, this lady is out \$50,000. That's pretty tough. In a couple of minutes now, maybe the minister would care to respond to some of those things and let the rest go to later.

**Hon. Mr. Handleman:** First of all, I think it has to be recognized that condominium ownership is a relatively new concept, although it goes a way back.

**Mr. Breaugh:** It is new here.

**Hon. Mr. Handleman:** It is new here, but it has been in existence for I guess about a couple of thousand years in one form or another. But it's new here. Our first Act laid the groundwork for a programme which took quite some time to sell to the general public. It was at least two to three years after the whole concept was introduced in Ontario that it suddenly caught on. Last year we brought in fairly extensive amendments, many of which I think meet some of the problems that you mention.

For example, in condominium ownership, anticipating what our home warranty plan now has, we do have protection for deposits until registration. There is deposit insurance. Now, the woman that you talked about at \$50,000 is well over the limit. It is \$20,000 that we have, as I understand it. We are meeting these things and the law is evolving as we meet the problems. You're quite right that the difficulties you run into are somewhat unique, although I don't think the solutions are any different there than they are anywhere else. It may very well be that the people that you are dealing with are different from the people somewhere else. I don't know. I'd like to ask Mr. Priddle if he could just



briefly outline some of the things that we have done and have in mind for the future.

**Mr. Priddle:** Our problem results from the fact that the Act requires the building to be constructed before the declaration and description can be registered. Whether it's ethical to advertise before the deeds can be given is a good question. But I think it's done even in typical single-family dwelling-type of subdivision.

The difficulty here is that the last unit in the project must be completed before the first deed can be given. There's a fair bit of difference there. As the minister mentioned, many of the amendments that were put through during the last session are aimed at the peculiar problems of condominium financing and delays and so on.

In the Toronto area lately, we have had a fair number of completed projects being advertised or the units in them. You'll notice the ads in the Star say "fully registered" or "registered condominium", much more so than they used to be. That probably is an indication of the market demand for them. I don't know what to say about your lady who paid \$50,000 down, probably at a time before the recent amendments came in. Her position is not all that satisfactory from her point of view because she may turn out only to be a creditor of the company, which is unfortunate.

**Mr. Breaugh:** And get 20 cents on the buck or so.

**Mr. Priddle:** Yes, it could very well be.

**Mr. Roy:** On that point, maybe someone should get some lawyer to do more real estate research, because they didn't do very much for this. It sounds to me like she didn't get very good legal advice.

**Mr. Breaugh:** There are bum lawyers.

**Mr. Roy:** They're not all infallible. You get bum doctors and you get bum ministers of the Crown if you like. I'm not being personal.

**Hon. Mr. Handleman:** I don't know any myself.

**Mr. Roy:** Mr. Chairman, who does? Mr. Gregory might be more helpful there. As I recall it, the members of my firm who are involved in condominiums always withhold the payment of the moneys until the thing is registered; they hold it in trust. I think there's an agreement among them. This is a well-known practice. I'm just wondering how come that didn't happen there.

**Hon. Mr. Handleman:** Our first legislation dealt with the legal aspects of ensuring that title could be passed and then the second go-around was aimed at protecting consumer rights. I think we've gone a fair distance towards that objective. There's still a lot to be done, there's no question about it. On the other hand, I think a great deal lies in having correct information in the hands of a prospective buyer so that he knows what he's getting into.

One of the things we always say is: "You're getting into something new. Be careful. Ask the questions. Know what you're getting into." It's great for a lot of people. Most people would go through it again, even after the problems they've had, because they like this form of ownership. But it's certainly not the traditional home ownership procedure, and they have to realize that.

I think we can do a few things to fix up the consumer aspect of the law and we'll be looking at it.

**Mr. Roy:** I'm sorry. I just interjected that.

**Mr. Priddle:** I'm not sure whether it was mentioned that there was some stipulation that all units had to be sold before there could be deeds given. In some cases, the mortgage companies have imposed conditions which require a certain percentage of sales before they will agree to the project being a condominium project, but those stipulations are not within the legislation nor prohibited for that matter. They're imposed only by the developer or by the mortgage company.

**Mr. Breaugh:** Could I just interject here again? Not to take the developer's side in this story, but their version of it—and at least I recognize the validity of it—is that at the point of registration they've got to pay off the sub-trades, they've got to clear the title of any liens against it and they get hit with the lot levies. There's a substantial financial bump there. Some of them, especially those people who are rather strung out financially and have several developments—and we have a number like that—don't want to register the thing because at point of registration a lot of money becomes due. Some of them don't have it. Some of them have it tied up in other projects.

The incentive for the developer to proceed with registration is just not there. From his point of view, there is a substantial financial penalty. That's what's causing the reluctance on their part to proceed with registration. It's simple things like taking the papers and leaving them on somebody's desk for six



months or not walking in with them. There are all kinds of things. It becomes such a complicated thing after a while. The developers have a whole school on how to deal with these people. They first say that the city is holding it up. Then when that's proven to be false, they say the region's holding it up. Then when that's proven to be false, they say the province is holding it up. You're up to 12 months at that particular point by then.

From a consumer's point of view, they're really into a wilderness. It's quite true, and my version of it is that the person who's most at fault here is whoever gave out the legal advice initially and didn't inform his clients of how complex the situation was and of what the possible delays were. I recognize too that in practical terms, when I bought my house I saw the lawyer for five minutes and he said: "How are you? Here I am. Sign here." It was my first house and I signed it and, frankly, it turned out to be a good deal for me. But it could've turned out to be a rotten deal. I think that the vast majority of people who purchase a home, in particular a condominium unit as a home, are really not aware at all of what they're getting into. I don't know how you correct that situation.

I'm kind of interested in pursuing this point a bit further. In particular, I'd like to pursue that one of the lady who did make the substantial cash payment and to find out if there's anything in the laws of Ontario that would protect her to any greater degree than any other creditor of that receivership.

**Hon. Mr. Handleman:** Mr. Priddle has given you his preliminary opinion on it, but he doesn't seem to feel that there's a great deal that we can do for her.

**Mr. Gregory:** Just one quick question to satisfy myself, I want to ask Mr. Breagh

do they not collect lot levies in Oshawa when they issue a building permit?

**Mr. Breagh:** No. The problem was that they were built as apartment buildings and the land was pre-zoned some substantial number of years ago.

**Mr. Gregory:** But is it not part of the condition to operate in Oshawa that they must collect it?

**Mr. Breagh:** Not when you issue a building permit. At the time of rezoning you can collect and at the time of the registration of a condominium unit, but everything is in line.

**Mr. Gregory:** You're talking about a building that has already been built and then suddenly they decide to convert it to condominium use?

**Mr. Breagh:** No.

**Mr. Gregory:** Are you talking about a new building?

**Mr. Breagh:** They had pre-zoned land from about eight or 10 years ago, zoned properly for town house development. The city had no basis on which to withhold a building permit. They come in, they pick it up and away they go.

**Mr. Gregory:** I recognize that, but the Planning Act gives the municipality the right to impose lot levies at the time of issuing a building permit. In fact they have to be paid. I know in my community they have to be paid before a building permit is issued.

**Mr. Chairman:** It is now 6 o'clock. Shall this estimate carry; vote 1305 in full?

Vote 1305 agreed to.

The committee adjourned at 6 p.m.



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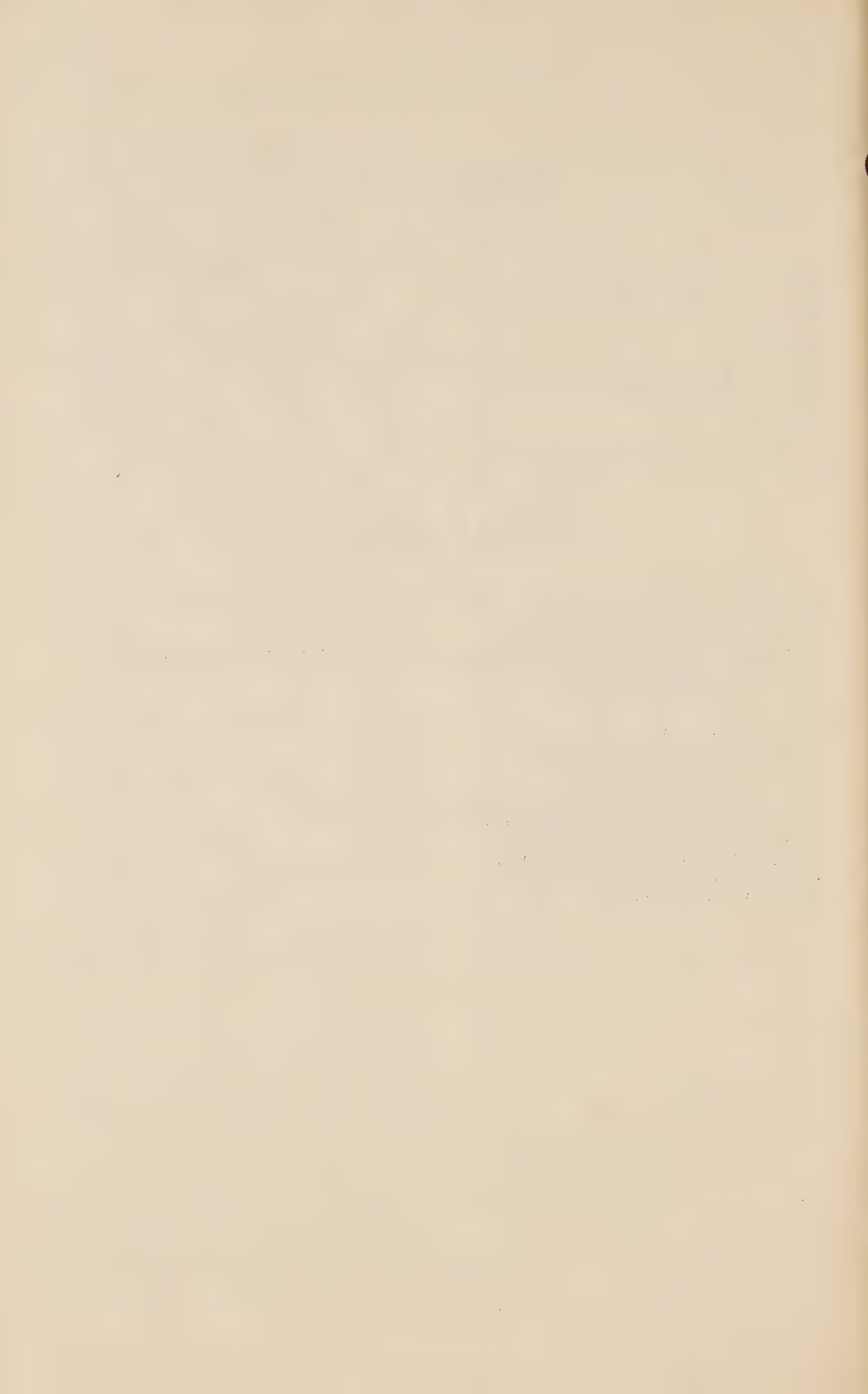
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Breagh, M.; Acting Chairman (Oshawa NDP)  
 Drea, F. (Scarborough Centre PC)  
 Gregory, M. E. C. (Mississauga East PC)  
 Handleman, Hon. S. B.; Minister of Consumer and Commercial Relations (Carleton PC)  
 Lawlor, P. D.; Chairman (Lakeshore NDP)  
 Reed, J. (Halton-Burlington L)  
 Renwick, J. A. (Riverdale NDP)  
 Roy, A. J. (Ottawa East L)  
 Sandeman, G. (Peterborough NDP)  
 Singer, V. M. (Wilson Heights L)

### Ministry of Consumer and Commercial Relations officials taking part:

Dillon, T. J., Regional Property Registration  
 Fisher, E., Director, Lotteries Branch  
 Priddle, R. E., Legal and Survey Standards  
 Sims, D. L., Director, Theatres Branch  
 Young, J. K., Deputy Minister







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# Legislature of Ontario Debates

**SUPPLY COMMITTEE—1**  
**ESTIMATES, MINISTRY OF**  
**TRANSPORTATION AND**  
**COMMUNICATIONS**

**OFFICIAL REPORT — DAILY EDITION**  
**Third Session of the 30th Parliament**

**Wednesday, June 2, 1976**

**Speaker: Honourable Russell Daniel Rowe**  
**Clerk: Roderick Lewis, QC**

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**1976**



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## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

WEDNESDAY, JUNE 2, 1976

The committee met at 2:10 p.m. in committee room No. 1.

#### ESTIMATES, MINISTRY OF TRANSPORTATION AND COMMUNICATIONS

**Mr. Chairman:** We might as well get started on the estimates for the Ministry of Transportation and Communications. We'll start off with the minister giving a brief statement and then we will have the NDP critic—I believe it is Mr. Philip, is that correct?—then the Liberal critic, Pat Reid, and from there we will open up the discussion.

**Hon. Mr. Snow:** Thank you very much, Mr. Chairman and members of the committee. My remarks will be very brief to start off with and then we will get into the estimates after that.

As you may recall, the structure of the ministry's programmes underwent a major revision last year. This revision was aimed at improving the way in which the ministry's programmes are portrayed before the committee, as well as providing the general public with a better understanding of such programmes.

This structure, which has been retained, has nine ministry programmes—six of an operational nature and three which provide general functions. To aid members of the committee in identifying the subject areas for discussion, I have prepared an index which I believe has been distributed and more copies are available if required.

As a general comment, I would like to say that my ministry's estimates have been held to a no-growth position in accordance with the government's conscientious effort to constrain spending and support the anti-inflation programme. In particular, the requirements for salaries and wages have been reduced in a number of programmes. This is directly attributable to the reductions in the complement now being enforced throughout the civil service.

Next, in the past, where detailed information was required, committee members submitted such questions in writing if they requested detailed information. This enabled the ministry staff to get the answers, which were then supplied either later in the day or, depending on the nature of the query, at the following meeting. If this is agreeable, and the time permits, we could continue this practice.

As I understand it from the House leader, there has been agreement between the parties as to the length of time we are to spend on the estimates, and perhaps some time this afternoon we could decide when we would be dealing with the Ontario Northland Transportation Commission. Their offices, of course, are in North Bay. If the committee is agreeable, we could set a specific day and time for dealing with votes 2405 and 2406. This would allow us to have the ONTC staff here for that particular day, and not have them waiting around cooling their collective heels until those votes are considered. If we could settle a day, either at this time or later in the day, then we will arrange to have the ONTC staff here at that time.

**Mr. Samis:** That meets with our approval.

**Mr. Reid:** As I understand it, we are going to meet today until 5 o'clock, and Friday and Monday?

**Hon. Mr. Snow:** This is the schedule that I have received from my House leader; there is this session today, one on Friday morning and then on Monday.

[2:15]

**Mr. Reid:** Friday morning might be the best time.

**Hon. Mr. Snow:** If we agree on the time we can bring them down here and they'll be here for whatever time you need during that particular day and we'll not have to keep them here all weekend.

**Mr. Chairman:** Let's decide on it right now and then we'll get it over with.



**Mr. Reid:** Friday morning might be okay.

**Mr. Philip:** I think that will be acceptable.

**Mr. Chairman:** We only have two hours on Friday morning. Is that enough time?

**Mr. Bain:** If you can only have them come down once, tell me, what's the total number of days for these estimates?

**Hon. Mr. Snow:** The schedule that I've been given is three days. Today, Friday and Monday, with Agriculture and Food to start next Wednesday.

**Mr. Reid:** This seems rather strange. I don't know anything about this.

**Mr. Philip:** Neither do we. I haven't been informed of this, Mr. Minister.

**Mr. Ruston:** No, we have never been restricted in the committee before and I don't know what's going on.

**Hon. Mr. Snow:** I'm here until we are finished with the estimates.

**Mr. Ruston:** I don't think we are prepared to accept that right now, Mr. Chairman.

**Mr. Bain:** It might be better to bring them down on Monday; we are going to have from 2 until 6 on Monday at least.

**Mr. Chairman:** From 2 to 5.

**Mr. Bain:** Why 2 to 5?

**Mr. Chairman:** I am sorry, 3 to 6.

**Mr. Bain:** You had one hour wrong, I had the other end wrong. Okay, well, Monday we'd at least have them for an extra hour.

**Mr. Chairman:** Would Monday be convenient?

**Mr. Gilbert:** Any time you want.

**Mr. Chairman:** Is it okay with you?

**Mr. Reid:** That's fine, Monday.

**Mr. Chairman:** So on Monday we will deal with votes 2405 and 2406.

**Hon. Mr. Snow:** As far as this schedule of the days to the members of the committee goes, that's news to me, as to the agreement of the House leaders on the timing of the estimates. We'll be here until we're finished, whenever it is.

**Mr. Reid:** Those agreements haven't worked too well in the past.

**Hon. Mr. Snow:** Yes. That's the end of my comments, Mr. Chairman. I'll ask Mr. Gilbert to introduce the members of the staff who are here today.

**Mr. Gilbert:** Thank you, Mr. Minister. There is Ted Wood, who is our financial controller; Bill Biddell, assistant deputy minister of administration; Mr. Al Leach, the first man sitting at the side, who is the executive director of our right of way and services division; Mr. Hugh Adcock, who I know a number of you know, who is assistant deputy minister of operations; Mr. Bruce Alexander, who is the head of our legal division, external relations; and Mr. Bob Humphries, assistant deputy minister of drivers and vehicles, who I'm sure a lot of you know. Thank you.

We have other people at the back who will be called upon if necessary.

**Mr. Philip:** First of all, let me say how much we in the NDP look forward to participating in some of these select committees that the minister has set up.

The one on highway transportation is one that I'll be serving on and some of the issues we'll be exploring are ones that members of this party have been raising for a number of years. It is nonetheless a credit to the minister that he has seen fit to investigate these in an open way. Perhaps it's also a credit to minority government. Likewise the committee on highway safety—

**Mr. Reid:** You voted for the bill.

**Mr. Bain:** We have a committee on this one; you didn't get a committee on the one yesterday. That's better than you fellows.

**Mr. Reid:** In my case it was my suggestion and my remarks that led the minister to set up the committee.

**Hon. Mr. Snow:** I won't accept that statement.

**Mr. Philip:** I am sure the minister knows differently, and for once we'll agree with the minister. Likewise, the committee on highway safety is one that is long overdue.

One area of highway safety that particularly concerns some of the members of our caucus is the whole area of school bus safety. It's kind of ironic when we introduce seatbelt legislation while our children are driving around in the country in tin cans with motors. The body structure provides little more than protection from the elements.

I suspect the only thing that prevents more accidents, more disasters, is that the buses



tend to be a little bit bigger than some of the things they run into. The low quality of the buses is not surprising. A typical school bus costs in the vicinity of \$15,000 to \$20,000, compared to highway buses, which are in the \$100,000 range, and even our transit buses are in the \$60,000 range.

It's the old saying that you only get what you pay for. I can't help but think of some of these headlines in newspapers: "38 School Buses Lose Wheel, Board is Told." That is something, no doubt, that committee will be looking at very closely and on which we will be following very closely the recommendations of that committee.

It's such an important topic that I would like to say a few words on safety, if for no other reason than to emphasize to the ministry the concern of members of this party on some of the safety issues and to emphasize that we will be paying particularly close attention to some of the recommendations. We'll be talking about them in public and building up some kind of public awareness and pressure then for the recommendations when they do come from this committee.

The Public School Men Teachers' Federation report of January, 1973, notes:

Although recent legislation has resulted in improved safety design for passenger cars, provincial standards for school buses are weak and almost non-existent.

The Committee on the Costs of Education in its report No. 3 recommended in recommendation No. 8:

that the Ministry of Education initiate discussions with the Ministry of Transportation and Communications for the purpose of having a study established to examine all matters related to the safety of pupils for whom transportation is provided by school boards.

In addition to soliciting the expert advice of safety and traffic engineers, the body responsible for the study should seek the assistance of school boards, school bus operators, school bus manufacturers, consumer groups and other interested organizations. The results of the study, including the information about cost to provide safety improvements, should be made available to the school boards, government departments and the general public so that they will be in a position to decide on the priorities that they wish to establish.

There has been no action that we know of to that recommendation. Obviously, improving school buses is going to cost money and

that explains the reluctance, I imagine, of this ministry at this time to do anything about it. But it's all a matter of priorities. It's evident that school bus safety does not have the privileged position that the National Transportation Safety Board, according to the Committee on the Costs of Education, seemed to think it has in the United States. Just quoting from their report briefly:

In the school bus field, the degree of effort for safety has not been traditionally determined by cost-benefit considerations, but by the unique need for protection of the innocent children who ride the buses and who are almost totally unable to assure their safety by their own actions. School bus riding children are seated within the buses usually because state laws require schooling and the children are not there totally of their own volition.

It goes on then to give more reasons, which I think all of us would probably agree to, for the need then for more safety than in the school bus system.

The most distressing thing about school bus safety issue is that there doesn't seem to be any movement from government at any level and that really very little new can be said. Perhaps it's just enough to say that we have 500,000 children riding in these contraptions every day.

Another area I know the committee on safety will be taking a close look at and will be particularly interested in is the whole area of driving instruction. There have been recent newspaper headlines on this. We'd be interested in the views of the ministry and whether the ministry will be making any recommendations to the committee on this. There's certainly overwhelming evidence to suggest that proper driver instruction saves lives. Some of the insurance companies have recognized this, and yet in this province practically anyone can get into the business. Many are in it part-time and certainly most have no training either in safety or in the teaching techniques.

I've raised these issues realizing that the committee is going to go into it in detail but merely to stress that those are two areas that we, in this party, will be examining very, very closely as the recommendations come from the committee and that we'll be doing everything possible to put pressure on the government. Hopefully we won't need very much pressure to have recommendations if nothing else comes from it, at least on these two areas so that they're implemented.



In a more general sense, if there's a good word that describes the government's transportation policy it's "delay." If there was ever a government that could fudge an area of responsibility, it's the government's transportation programmettes mess. I say "programmettes" because there's really no programme that we can identify, only a series of little snippets here and there that masquerade as a programme policy.

In fact, one cannot help but wonder if somewhere in the back office of the Ministry of Transportation and Communications a fellow by the name of Jimmy Carter took his internship to become leader of the Democratic Party or President of the United States or whatever he is doing or maybe his Canadian counterpart Joe — what's his name? — Maureen McTeer's husband.

**Mr. Ruston:** Backed by the UAW.

**Hon. Mr. Snow:** You will hear more from him.

**Mr. Philip:** One of my constituents tells me that he has trouble remembering the present federal leader of the Conservative Party's name. He had no trouble with the last one because he changed his underwear more often than he drank soup. In show business—

**Mr. Reid:** I suppose that was a little levity, was it?

**Mr. Laughren:** We will explain it to you afterwards.

**Mr. Philip:** That's all right; we will have it explained to you afterwards.

**Mr. Chairman:** I realize this is a wide-ranging topic, but let's keep to the point.

**Mr. Philip:** Now that we have finally captured the Liberals' interest with something they can understand, I will continue. On the subject of show business, there is a certain folk wisdom that holds true, probably from the earliest days of the minstrels, that when you see a performer relying on gimmickry, you can be pretty sure that he is not going to be around for very long, because if any performer lacks the depth or the substance, the people soon get tired of him.

Translating that into the present government and more particularly to the present Ministry of Transportation and Communications and realizing that the minister has not been in charge of this ministry for a long period of time, everywhere we look we can see the same connection then. It is a ministry

which just doesn't appear to have developed any depth, any long-term objectives and it doesn't appear to have any substance.

In 1971 there was Spadina, then there wasn't Spadina, and now there is Spadina and in the meanwhile a form of Spadina. It depends on who says it and what release comes out and so forth.

**Mr. Laughren:** Even the minister.

**Mr. Philip:** The one thing we did get out of the Spadina fiasco was that now we are going to have some kind of public transit system up the centre of it. If the Premier's view had prevailed in 1972, the TTC would have postponed rapid transit in the Spadina corridor to allow Krauss-Maffei to be used.

Five years later then, nothing has been done or very little has been done. If the government had not been so set on technological grandstanding in 1972 and in getting the votes in 1974, we would have fast, efficient light rail vehicles actually running and carrying people in the urban areas at the present time.

The problem with Krauss-Maffei is not that the government spent moneys on a series of explorations that didn't work. We, in this party, recognize that research is often a field where you have to go down different paths and sometimes they lead nowhere. I happen to know a number of people in the creative research field. I have spent an awful lot of time with a number of the people working in the United States in the various fields, including those working on the space programme at Cape Kennedy.

The one thing that I can tell you from talking to a number of them and knowing a number of them very well and very personally is that the one thing that is not conducive to any kind of creative output is the public relations, mass media kind of atmosphere that was created by this government. You just cannot turn out inventions and developments in that kind of public grandstanding.

The government can also be faulted inasmuch as it put all of its eggs in one basket. You know what happens in biology when a particular species becomes overspecialized. If you look at George Land's classic book, "Grow or Die," he shows the dangers of overspecialization and that it can be applied not only in a biological field but also in the sociological field. By putting all of its eggs in one basket this ministry has put transportation in this province back at least five years.

Had the ministry begun in 1969 with a course of development in light rail the people



in my community and northwest Metro wouldn't have spent hours of their time travelling to and from work. Transit in Toronto was healthier five years ago than in practically any other city in North America and yet, because of these delays, we have fallen back again.

[2:30]

I can't believe, as some have suggested, that the ministry—and I realize it wasn't the present minister—would be so callous that, because the people in northwest Metro happened to be of the working and middle classes and were preoccupied with day-to-day existence sorts of questions and therefore perhaps less inclined to conduct the kinds of demonstrations of some of the more professional sorts of people downtown, that the ministry then would kind of write us off and say, "We don't have to worry too much about these people, because they are not going to be out picketing and creating a lot of hassles."

I can't believe that the ministry callously decided on that kind of action, and I reject that kind of argument. However, the people up there do spend a great deal of time worrying about the fact that they spend an awful lot of time on public transit and that the transit is so bad. It just cannot go on that way any longer.

I would like to ask the minister, now that you fellows have wasted all this time, what are you going to do to catch up? I would hope that you would do more than de-elevate the Krauss-Maffei to wheels. Are you looking at or working on any kind of plans, in conjunction with other appropriate levels of government, for a GO system on the CP line through Humber Summit, with the possibility of stations at Sheppard, Finch and Steeles? I realize that's not a new question; Fred Young has been asking that question for a few years in these estimates.

Has there been any exploration of extending the rapid transit line up Spadina to Finch and west on Finch? Is there any plan for integrating the present GO system with TTC? A number of people in my riding tell me that they take their cars down to the GO station, whereas if they had at least one fare, they might be more likely to use the north-south buses on Kipling.

What about Scarborough? It's ironic that the delay following the Premier's stopping of Spadina is creating pressures for an expressway in Scarborough. If the Premier (Mr. Davis) had not been so preoccupied with grandstanding in 1972, we might not have had this uncertainty now. Can the minister

assure us that no expressways will be built on the land presently being acquired?

All of this leads to a number of questions regarding the Urban Transportation Development Corp. Specifically, on a micro-level, can the minister supply an itemized list of the income sources of the Urban Transportation Development Corp., including direct payments by the government of Ontario to the corporation and any payments under contract between the corporation and any agency of any government or any corporation or individual; and, for each contracted item, the name of the contracting agency, the amount of the contract, the time period over which the amount is to be paid, a description of the work to be performed under the contract and a summary of the progress to date?

Secondly, can the ministry supply a list of the work programmes of the Urban Transportation Development Corp., indicating for each project the nature of the project, the amount budgeted, the estimated completion date, the name, the amounts paid to and the role in the project of any contractors or subcontractors to the corporation?

Will the ministry supply a list of all contractors and subcontractors to the Urban Transportation Development Corp., and, for each contractor or subcontractor, the amount to be paid and the nature of the work to be performed?

Will the ministry supply a list of the urban transportation research and development projects now in progress within the ministry, together with a description thereof, an estimated completion date and the amount budgeted therefor?

What is the price to be paid by the Toronto Transit Commission and the Urban Transportation Development Corp. for light rail vehicles, and how is that price broken down amongst research and development expenses, overhead and actual costs of construction?

I am sure the ministry will want to supply some answers to these questions on the appropriate vote.

On a more macro-level, can the minister tell us what he believes can be done to maintain the balance between individual movement in cars and bulk movement in buses, coaches and trains? Does the ministry have any system or any formula for deciding on the modal split between private and public transport?

As an aside, you can talk about individual liberty, as car drivers like to do, but I ask you, where is the liberty for the parents, at



the top or the bottom of the Spadina Expressway, to send their kids out or will they have to go with their children for fear of them being run over by the increased traffic?

As a sub-question to this I might ask if the minister is concerned about the way in which some suburban communities are being designed, as was highlighted in an article in the *Globe and Mail* on Tuesday, June 1. Douglas Thwaites, I believe it was, director of transportation and planning for Peel region, suggested that some of the suburban communities are not really designed for cars—they're designed against cars—but the lack of accessibility also means lack of accessibility for public transit vehicles such as buses.

**Hon. Mr. Snow:** I don't think that's what that article said. At least that isn't the way I read it.

**Mr. Philip:** I'm quoting from the article, Mr. Minister, so I'd be happy to let you have it if you want to see it.

**Hon. Mr. Snow:** I think I saw the article but as I recall it it stated that the new urban developments were planned against transit and for cars. You're saying it was planned against cars.

**Mr. Philip:** No, what I'm saying is that the individual—

**Hon. Mr. Snow:** I see the problem the article refers to as a real one. The maze of street design, with very few through arteries, makes it difficult to design a transit system to get the buses or whatever the vehicle may be near the people.

**Mr. Philip:** I think the minister has paraphrased essentially the problem I was posing. Because the suburban communities were designed originally to lessen certain kinds of automobile transportation on some of the back streets, are they also going to lessen public transit? Is there any kind of study which he or his department or his researchers are undertaking? How will that fit in and co-ordinate with the efforts of municipal planning boards and so forth?

**Hon. Mr. Snow:** We're not too involved with the municipal planning process; that's one of the problems.

**Mr. Philip:** Surely, though, it may well be an area in which you and the municipalities have to look at a problem in terms of long-range objectives. It's fairly evident that we cannot have subways in Bramalea and no-

body would expect, at least at the present state of development, to have something like that. You're going to have to have some form of bus or bus system at least in some areas if you want to have any kind of public transit. It may well be time that this problem has to be looked at co-operatively with the municipalities.

What steps is the ministry taking in the area of preservation of environmental quality? What steps is it taking to co-ordinate the efforts with those of other ministries? This is not an abstract kind of question.

I have the case of Scarborough, if I may. The council of the borough of Scarborough at a meeting in October considered a report of the recreation and parks committee and heard submissions from area residents with respect to the noise from Highway 401 and its effect on McDairmid Woods Park and the nearby residents.

The council asked that the Ministry of Transportation and Communications consider the following four requests: 1. That the ministry provide a dense planting of pine across the southern boundary of McDairmid Woods Park and also erect the most efficient acoustical barrier of the latest design from a point 200 yd west of Midland Ave. to a point east of the subject park; 2. That the ministry instigate a study in co-operation with the automobile and trucking industry to find a solution to the high noise levels of vehicles and also to find a solution to the high noise level of certain types of tires on certain types of road surfaces; 3. That the ministry reduce the speed limit on Highway 401 to 55 mph; 4. That the ministry take action to restrict truck traffic to the centre core lanes.

The council, as I understand it, asked for a response to that. However, according to Ald. Joe DeKort, quite literally nothing has happened. I'm not raising this as an isolated issue; I am raising this because I think that the kinds of questions that Scarborough asked are questions that certainly need answers. We would like to know what the ministry is planning in a general way on research in this area and, hopefully, under the appropriate vote the minister will share that with us, as well as telling us what is happening in the specific case of Scarborough.

Third, what criteria is the ministry developing or using to see to it that poor people and handicapped are not deprived of the ability to move around? I note that on one of the few occasions when my predecessor, the past Liberal member for Etobicoke, was present in the House, he pointed out that



many of the people living in northwest Metro just don't own a car and that, therefore, they must use public transit.

The pensioners, of course, are another disadvantaged group. In the northwest, we have a number of senior citizens' homes and buildings and so forth, and another one was just approved in co-operation with the Ministry of Housing and through Mr. Rhodes' co-operation. These people certainly have trouble getting around the area, and this is true of other so-called dormitory communities.

There is also the problem of the physically disabled, and in terms of providing transportation programmes for the disabled that are meaningful and effective, may I suggest with all due respect that your ministry has been consistent in its inability to provide a definite policy toward funding any such transportation policies. We in the NDP believe that all people should have access to public transit. We feel that your ministry should immediately announce a programme of subsidy for capital or operating costs for municipalities and groups wishing to establish or continue existing transportation programmes for the disabled, and we certainly look forward to discussing that particular programme during the vote. I know my colleagues from Fort William (Mr. Angus) and Bellwoods (Mr. McClellan) will want to zero in on that particular issue in perhaps a little bit more detail.

It should be fairly clear that in the field of interurban transportation the federal Liberal Party is just incapable or unwilling to develop a sensible transportation policy. For some reason or other they seem to be obsessed with aviation, and the only time that they seem to think about rail transportation is at election times.

**Mr. Ruston:** You and your 16 members down there, what would they do?

**Mr. Philip:** I would like to tell you what we would do, if you will just be still for a minute.

**Mr. Reid:** That is Ed who?

**Mr. Philip:** I could tell you how we can remember the name Broadbent, but I think I would be expelled. You remember in 1972 the Prime Minister was having a love affair with rail, and then there was no mention of it again until 1974 in the election. It is kind of a fickle mistress when it comes to his analysis of roadbeds, but how they love building airports. Even Mirabel is a disaster, but they want to give us another one at Pickering.

We must at least give credit to the past Liberal leader, and to the Premier, as well as to the leader of our own party, who expressed complete alarm at the Pickering airport fiasco.

**Mr. Reid:** It is not dead yet.

**Mr. Philip:** However, there are always those in political parties who like to capitalize on the fears of people. In my own experience in the last election, of course, the Liberal incumbent split with his party, and while he was against Pickering at the outset, suddenly when the pressure arose in the Malton area, he very quickly became a crusader for a new airport in the Pickering area. The same thing with the Conservative candidate, who, of course, tried to convince everybody that he knew better than the Conservative Party and because he was so knowledgeable and because of his contacts, he would convince Mr. Davis of the folly of his ways, and by electing him Pickering would go through.

I think we have to give at least credit to the guts shown then by the Conservative member for York West (Mr. Leluk) who, all along, despite the fact that there was pressure in the area for politicians to break with their parties and come out in favour of Pickering, at least the member for York West in no way deviated or fell victim to political expediency and to wasting—

[2:45]

**Mr. Reid:** Who's that?

**Mr. Philip:** Mr. Nick Leluk I believe was his name. Well, certainly a greater man than the Conservative candidate who ran against me, or than the Liberal incumbent. The obsession of the federal government with air transportation just doesn't make sense in today's society. Now, I hope that the Liberals will pay attention, because this is part of the learning lesson, and I'll be glad to—

**Mr. Ruston:** I will never learn anything from you. We have assessed that already.

**Mr. Reid:** Let's not be so juvenile and get on with the estimates.

**Mr. Philip:** At present, transportation accounts for 20 per cent of the energy used in this country and 40 per cent of oil consumption. A recent brief which was presented by the NDP to the Canadian Transportation Commission hearings concerning transcontinental passenger train service, points out that Pierre Delagrave of the LRC project estimates that with an LRC train carrying 60 per cent of its passenger capacity between Montreal and



Toronto, the train would use 1.9 gallons of fuel per passenger, and this compares with 17 gallons of fuel per passenger on a Boeing 727 over the same route with the same passenger capacity. Even the most conservative estimates indicate that a train is at least twice as energy efficient over a trip of 350 to 500 miles than the Dash-7 STOL plane.

Considering this, it is not surprising that Air Canada in 1974 lost \$20 million on its short-hop runs between Toronto, Ottawa and Montreal. I think this particular brief also asks a very important question. What happens when fossil fuels run out? We certainly can electrify the train system, but no technology to my knowledge has come up with a system of electrifying the airplane system.

The whole aspect of pollution in transportation is worth looking at, or at least worth worth looking again. I'm sure that the minister is familiar with some of the studies on this, but one study indicates that 52 per cent of US air pollution is caused by transportation. The study also shows that commercial jets emit 2.7 times as many pollutants per million passenger miles as do high speed trains. Buses, on the other hand, emit 21.8 times and private cars, 27.3 times.

Clearly, from a health point of view, rail transportation makes a heck of a lot of sense and becomes very attractive. Now, of course, the federal Liberal Party, the government in Ottawa, has declared that it's willing to get back on the tracks but only between Quebec and Montreal. We, of course, were pleased to see the way in which the present minister attacked that position.

One might be cynical by saying that if there was ever a politically motivated stand, it's that of the present federal Liberal Party. Here we have a party that's grasping to hold on to the last vestiges of strength, the few pockets that it has. The Prime Minister seems to spend as much time in British Columbia as he does in Ottawa, and then you see the—

**Hon. Mr. Snow:** That's where he got his wife.

**Mr. Philip:** —grants that he gives through the back door. I beg your pardon?

**Hon. Mr. Snow:** That's where he got his wife, in BC.

**Mr. Philip:** It may be a paid vacation to his in-laws. I don't know how many members feel that concerned about their in-laws. Anyway, in case my in-laws start reading Hansard, I'll change the subject.

The main point is, can we really trust a federal government's transportation policy that is involved in this kind of wheeling and dealing? I know that the minister has expressed the concern about the Quebec-Montreal route, but surely it takes more than this kind of bravado. Surely, what is needed is the provincial government to say, "We won't be part of that kind of political expediency. Instead, we will conduct our own studies if necessary. We will develop sensible plans which will integrate bus, car, rail and transportation. And then we will sell it to the people of Ontario, and we'll show them what these plans are. And if the federal Liberal Party doesn't want to go along with it, let them take their chances in the next federal election based on the policies and the programmes which we can demonstrate."

It just isn't enough to be against new airports and in favour of rapid transit. Surely, what is needed is a well thought out plan of action and a plan of action that shows that this government, unlike the federal government, is unwilling to fool around with transportation for sheer political expediency.

Such a plan would have two main focuses. One would be the immediate problem of effectively moving people from point A to point B. Equally important, is the whole use of transportation as a vehicle of planning, the industrial and population areas in this province. The first Conservative Party under Sir John A. at least understood this. They realized they weren't putting in the CPR to western Canada, because there were a lot of people out there who needed to be moved back and forth, but rather as a way of creating development in the area.

**Hon. Mr. Snow:** The Liberals were against that too, if you recall.

**Mr. Philip:** The Liberals tend to be against—

**Hon. Mr. Snow:** The NDP weren't around.

**Mr. Philip:** The important thing is that whereas at least some of the provincial Liberals have recognized that maybe Sir John A.'s plan wasn't a bad idea, certainly the NDP that came around later recognized that it was a reasonable sort of thing to use transportation as a planning tool.

This government seems to have a less progressive policy in this regard than the Conservative Party had 100 years ago. It has failed to recognize that the new frontiers are really northern and eastern Ontario and it has failed to recognize that transportation is central to determining any kind of diversifica-



tion programme and diversification of the economy.

I leave the minister with one last question. Is this government willing to develop a transportation policy for all of Ontario with or without the support of the federal government in Ottawa? If so, will this plan take into account the need to use transportation as a means for decentralizing the province, of creating new jobs in industry outside the areas of southern Ontario?

What concrete proof are you willing to give us which will take some of the heat off the people in Malton by developing, if necessary yourselves, a rail proposal that the federal government will find hard not at least take a look at and perhaps even hard to resist? What specific things are you going to do to make up for the five years lost through the circus that you have run with the Krauss-Maffei?

What have you personally done as a new minister to convince the federal government that the plans which are centred in many cases around aviation do not make sense either to the government of this province or to the official opposition in this province? We'll do everything to show up the charade that they are trying to put on for us. Those are the few remarks that I'd like to make.

**Mr. Chairman:** Mr. Reid, would you like to reply now or would you like the minister to?

**Mr. Reid:** I'd just as soon have the minister reply to Mr. Philip and then I'll speak.

**Hon. Mr. Snow:** And you'll give me your scatter-gun approach, is that right?

**Mr. Reid:** That's right. I will be brief.

**Hon. Mr. Snow:** I listened with great interest to Mr. Philip's leadoff remarks. Some I agree with; others I don't.

I appreciate his remarks regarding the two select committees that have been established, one on highway safety that was announced by the Lieutenant Governor in the Speech from the Throne and the second regarding truck transportation. The select committee that I recommended on the truck transportation industry under the terms of reference that I put forward will deal in great depth with the industry, and not only with the very small matter that we were dealing with in B'll 4. It will have much broader considerations. I look forward to that committee being very busy this summer, in fact, both committees.

I have asked both committee chairmen to have interim reports to the Legislature by the end of September in order that any early recommendations they may have can be perhaps dealt with in legislation this fall and, if possible, to have their complete reports in by the year-end. This is quite a task for those committees to carry out. I've also asked both of the committee chairmen to try to give everyone in the province an opportunity, without too much inconvenience, to appear before those committees. I'm hoping that both committees will hold meetings in all major centres—I don't want to be misinterpreted in saying all major centres but, at least, in the north, the east and the west, similar to what the select committee on taxation did a few years ago. I happened to be a member of that and I know we held meetings in Windsor, London, Hamilton, St. Catharines, Kingston, Ottawa, Peterborough, Thunder Bay, Sault Ste. Marie, Timmins and Sudbury. We will do this in order to give all those people interested—organizations, safety committees, truckers, industries, whoever they may be—an opportunity to have an input.

**Mr. Reid:** Is this to cover dump trucks also?

**Hon. Mr. Snow:** I would hope, Mr. Reid, that the dump truck situation—

**Mr. Reid:** Is under control?

**Hon. Mr. Snow:** —is pretty well under control and I would hope that the committee on trucking wouldn't have to get into it. I'm not suggesting to limit the committee in any way in its considerations, but I would hope that it wouldn't have to spend a whole lot of time on the dump truck situation, just redoing what Mr. Rapaport did last year. I know the industry is concerned too. They say, "Surely we don't have to make all the same presentations to this committee that we made to Rapaport?" and I would hope not.

**Mr. Reid:** I just wanted to clarify it.

**Hon. Mr. Snow:** No doubt the committee on safety will get into the matter of school bus safety. In fact, that's one of the matters which I have put on the terms of reference. It's a matter which is of concern to me. We have some considerations going on. We haven't been doing nothing at all, as the hon. member suggested.



**Mr. Philip:** On a point of privilege, Mr. Minister, I didn't suggest that you weren't doing anything. I quoted someone else as saying that you hadn't.

**Mr. Reid:** And agreed with him.

**Hon. Mr. Snow:** I know.

**Mr. Philip:** I don't want to get into the same arguments that I got into with Handleman.

**Hon. Mr. Snow:** This has been a very active matter since I became minister. I don't know how active it was before—I'm not suggesting it wasn't—but about two months ago, or prior to that, I brought forward a number of matters which were of concern to me with school buses. We worked on them with the staff. We held a meeting with representatives of those groups which we felt would be interested; that is, the school bus operators, the Separate School Trustees Association, the Public School Trustees Association and the transportation officials of boards of education.

We had quite a meeting where I put forward six or eight different items which we had under consideration and we asked them to give consideration to the effect of these proposals and report back to me by May 31. I just realized that May 31 has gone by, by two days, and we have not got those reports yet. Whether it was because of the select committees, those groups feel they'll make their presentations there, I don't know, but there are matters of concern regarding licensing of school bus drivers, which is one matter I have proposed to make changes in and I have put forward proposals to these groups.

**Mr. Philip:** Will you be putting in specific proposals regarding the licensing of driving instructors?

**Hon. Mr. Snow:** I'll come to that.

**Mr. Reid:** If you accept my private member's bill it would solve all those problems.

**Hon. Mr. Snow:** I haven't seen it, Pat. Send me a copy.

**Mr. Reid:** It's in your bill book.

**Hon. Mr. Snow:** Okay. I'm not aware of the contents, but anyway, we are looking into this, both from the safety aspects of the vehicle and especially perhaps the driver. We'll be contacting those groups and asking for their comments on the proposals I've put forward to them and, of course,

we'll also be suggesting that they make presentations to the select committee.

[3:00]

There may be some changes, however, depending on the reports I get back from those groups, that we may make by regulation prior to the select committee reporting, if we feel there is some action that should be taken before the September startup of the school bus season.

Some of these things will not be able to be done immediately. I don't want to do anything ahead of time that would limit in any way the discussions of the select committee. I'm between the devil and the deep blue sea in terms of taking some action that I feel should be taken and leaving the whole thing open to Mr. Young and his committee. Therefore, we will have to take a look at that very carefully.

There are some relatively minor things, such as the adequacy of first-aid kits on buses and whether drivers of school buses should be required to have some type of St. John Ambulance training, which I feel they should have. I think drivers of school buses should be required to take a recognized defensive driving course and, as I say, be able to give first aid to a degree.

These are some of the proposals that I put forward. Others are that a driver of a school bus probably should lose his licence to drive that bus if there are certain convictions against him. Perhaps he would lose his licence to drive the bus with a lesser number of points than if he were to lose his licence to drive a car. At the same time, we don't want to take somebody's livelihood away unnecessarily, nor do we want to make it that much more difficult for the bus companies and the school boards to get drivers, which I understand from them is not an easy situation. On the other hand, I think we have to put the safety of the students riding those buses first.

I get requests periodically from members regarding a constituent who has lost his licence to drive a bus because he had a heart attack, for instance, but he's recovered and the driver feels he should be able to go back to driving a bus. I have to accept the advice of the medical consultants to the ministry as to whether that driver is capable of going back to driving a bus. And I tell you, I am not going to have someone who has a chronic heart condition driving a school bus, as far as I am concerned.

The driving school matter is something I am also quite interested in and concerned



about. I had the opportunity to meet with the driving school association. It's a newly formed association headed by a man in Ottawa, I believe—I can't recall his name at this moment—and, as a matter of fact, they had a convention in Oakville a few months ago. I was invited to speak to their convention, and I suggested to them that when they got their association going, I would certainly be quite happy to get comments from them, to meet with them and to set up a liaison with their association. They have now come back and asked for a meeting, and I believe our first meeting will be on June 7 or 9—within the next week or two. I am going to have a meeting with them and will hear whatever presentation they may have to make, but probably I will refer them directly to the select committee now that it has been set up.

As to whether driver schools should be regulated, I am sure they should be regulated in some way and improved standards set, but I'm not sure whether they should come under my ministry, the Ministry of Colleges and Universities or the Ministry of Consumer and Commercial Relations. I think the industry at least is looking forward to this ministry to govern it.

**Mr. Philip:** If I may ask a question on that, have you had any input on that from the insurance companies? Do they have some specific recommendations regarding the kinds of things they think can be done?

**Hon. Mr. Snow:** The part I am talking about right now is really the regulation of the schools.

**Mr. Philip:** Yes, but surely the insurance companies are vitally concerned about this?

**Hon. Mr. Snow:** I haven't had any direct contact from any insurance companies. But we are looking forward—I'm looking forward—to meeting with the driving school people and, as I say, having them make presentations to the select committee. I'm sure the select committee—this is one of the aspects I want them to go into in detail.

Also driver instructor licensing is another matter I'm concerned about. This is, again, something like the school bus driver. For a man or a woman who is licensed to be a driving instructor, I think their personal and driving record should be above average. They should not have convictions against them for speeding and running stop lights and all sorts of things if they are teaching our young people to drive.

I think there are several convictions under the Criminal Code which should absolutely prohibit them from having this type of a licence. For instance, a person who has been convicted of rape or assault or indecent exposure; I don't think he is the right type of person to be taking young ladies out to teach them to drive an automobile.

I assure you those are all things we are working on and we're looking forward to the assistance of the select committee to establish them.

(The member referred a lot to transportation policy of the ministry. I don't think our ministry is short of policy at all as far as transportation is concerned.)

**Mr. Reid:** You've got all kinds of them.

**Hon. Mr. Snow:** We've got all kinds of policies.

**Mrs. Campbell:** You have them coming out of your ears.

**Mr. Reid:** —you've had three.

**Mr. Philip:** That's why I refer to them as "policettes."

**Hon. Mr. Snow:** The shortage is money. We have not—

**Mr. Philip:** You mean you'd have more expressways if you had more money?

**Hon. Mr. Snow:** There may be in certain areas. There are many communities in this province very anxious to have expressways or bypasses or whatever.

**Mrs. Campbell:** They are the ones that get them.

**Hon. Mr. Snow:** There are some that don't. Spadina transit has been eating up a lot of both our budget and Metro Toronto's budget. We have not put all our eggs in one basket as far as public transportation is concerned at all. We've had a very active programme in municipal transit.

As a matter of fact, if you look at the figures—I have them roughly added up here; they are not quite the same as what the estimates show so I guess we may not have all the same things in—in 1974-1975 we spent something like \$79 million on municipal transit. That went up to \$129 million the next year and we're budgeting \$168 million this year.

That shows quite an emphasis on public transit and that, of course, includes buses. It includes the new streetcars for Toronto. It



includes the accelerated subway construction programme in Toronto and of course we're working on the intermediate capacity transit system through UTDC. The GO train system and the GO bus intercity or commuter system has again been expanded greatly and we have a very active programme for the next three years to expand GO Transit. But our big problem is going to be money.

On the Scarborough expressway there has been no consultation as far as I'm concerned between Metropolitan Toronto certainly and me, nor, I believe, with the ministry, regarding any Scarborough expressway. All I really know about it is what I've read in the newspapers. Of course, you must remember that Metro Toronto is the one that would really be responsible for building that, if it is built, I presume. They've certainly never mentioned anything to us about it.

**Mr. Philip:** You would have to approve orders in council, though, surely to allow—

**Mr. Reid:** You would also be giving them some money for it.

**Hon. Mr. Snow:** We, of course, budget. I don't know of any order in council that we would have to approve for Scarborough or Metro or anywhere else to build a particular road. We budget each municipality a sum of subsidy dollars for their road programmes and leave a great deal of latitude to that municipality to spend those dollars as it sees fit.

**Mr. Philip:** So if I understand you correctly, you're saying that if Scarborough approached you at some future date, you're not ruling out the possibility of subsidizing an expressway?

**Hon. Mr. Snow:** We haven't even discussed it at all with Scarborough or with Metro, and we have certainly not at this stage budgeted any special money, or don't intend to, for that. For instance, our budget this year for Metro is some \$16 million or \$17 million of subsidy dollars for work that they will do on the Metropolitan Toronto roads system.

**Mr. Philip:** How do you personally feel? Do you feel that at some future date there will be enough pressure there to get an expressway in and that the government will go along with it?

**Hon. Mr. Snow:** Oh, I wouldn't want to comment on that. I have no personal opinion at this time. I haven't even considered it. We have had no request for it. I'm sure if Metropolitan Toronto made an official request, then we would have to consider the matter.

I think other things have to be decided first, that's all.

You asked for a lot of information regarding UTDC and its present work programmes and present financing. I'll have to get a lot of that detail for you, although I don't believe if there's any money of any account in the budget here this year for that, but we'll get into that later.

**Mr. Reid:** Where does that point come in the estimates? It's not really mentioned in this one.

**Hon. Mr. Snow:** I guess it's under the second vote, under "research."

**Mr. Gilbert:** Yes, vote 2402, item 3. Any money that is going to UTDC from this ministry goes through that vote.

**Hon. Mr. Snow:** Rather than take a lot of time right now—I know Mr. Reid's anxious to get going—we'll leave UTDC. Of course, the main project of UTDC at this moment is the intermediate capacity transit system, which is before cabinet at this particular time and I'll be making a full statement on that in the House in the not-too-distant future, I hope.

Mr. Philip mentioned the modal split between the car versus transit, what we're going to do about that, and I really don't know. I don't have any answer to that problem. I think economics, to some degree, are going to help us in getting people out of automobiles and into public transit. On the other hand, economics are affecting public transit too, with increased costs, but with all the increased costs of running an automobile, it's getting more interesting to the public to use transit.

I also share the concern regarding some of the design in our new communities and how it affects transit, and how difficult it is to have a bus system running within reasonable distance to the commuter to make it handy for the commuter or the user of the transit, when the layout of some of the streets that are in our new subdivisions are so designed, of course, to cut down on speed and through traffic. It makes it more difficult to run a proper transit system, but we in this ministry do get opportunities to comment on plans of subdivision. Our comments aren't necessarily always listened to by other ministries or by the municipalities involved.

You mentioned environmental planning and I think, Mr. Chairman, that our ministry has



perhaps the best record of any and has been longer in the business of environmental planning.

[3:15]

**Mr. Philip:** Better than Natural Resources' record has been.

**Hon. Mr. Snow:** There is the work that we do, the studies that we do; and the public participation that we have on all selections for new routes, for reconstruction of highways. We are doing many in different areas right now. It has to be started several years ahead of when the actual project will go forward for construction. I can think of different studies we have, for instance, between Sudbury and Sault Ste. Marie now on 17 where we are selecting new alignments in different areas. I saw one this morning on Highway 17 west of Thunder Bay which I don't think has been released yet or is about ready to go out for public participation.

We are doing studies on traffic noise. But I must be honest, I don't have any answer for that traffic noise problem. We have partial answers but the cost is tremendous. I just don't know how we can deal with this problem, that is, the problem in existing situations. I think it can be dealt with on the long-term basis by proper planning but when municipalities insist on approving residential subdivisions backing up on to major highways. I just don't know how we are ever going to prevent having traffic noise as a problem to those people.

We comment on this situation but I don't think any residential construction should be built within, say, 500 or 600 or 700 ft of highways such as 427 or 401 or 403 or 417 or the Ottawa Queensway or whatever it may be. No matter what we do with acoustic barriers, and we have done a great deal of study on this, the costs are great and the benefits are minimal. We can reduce the noise pollution, the salt spray and so on by building some of these things, but very very minimally because of cost considerations.

A lot of the noise comes from the vehicle itself. Since we have reduced the speed limit, I haven't had any statistical data on how much the 10 mph reduction on the speed limit on the expressways has reduced the noise. No doubt, there is an improvement, but it is probably minimal because we are finding that the speed limit is pretty well being adhered to on the expressways.

**Mr. Philip:** How closely is your department working with the Ministry of Housing in the approval of some of these plans?

**Hon. Mr. Snow:** We comment on all the subdivisions. I think we can't prohibit the Ministry of Housing nor the municipality from approving.

**Mr. Philip:** Our understanding is that there are a number of projects that have been rezoned from industrial to housing. I suppose it is the pressure under the Ministry of Housing to provide housing, but in some areas this creates problems.

**Hon. Mr. Snow:** I would strenuously object to that along the highways. Regardless of the fact that the people are going to buy those houses knowing they are close to a highway, as soon as they get into those houses or in a few months they are going to object.

**Mr. Philip:** You would object to anything along, say, Highway 27?

**Hon. Mr. Snow:** Yes, personally I would. There are other land uses that are much more compatible, high class industrial and commercial uses that are reasonably compatible with adjoining residential and are compatible with highway exposure.

**Mr. Philip:** In northwest Metro, we have the problem that a lot of industrial land is being rezoned for housing. This creates not only problems in terms of noise level but also problems in terms of traffic flow. Whereas the majority of people in that area work within the area the moment you do away with the factories, they are going to end up either commuting out or commuting downtown.

I am wondering just how closely the Ministry of Housing understands this problem, or how you may have impressed the Ministry of Housing that the citizens in the area do not want the industries out of the area. They want them in that area. They provide local jobs. They cut down on transportation problems. They also cut down, in many instances, on noise levels as well—the exception being some of the big trucking firms, of course.

**Hon. Mr. Snow:** We comment, as I say, on all plans of subdivision. We don't have veto powers, but we do make comments. I have been concerned in my own riding of a new major housing development on the south side of the Queen Elizabeth Way, just on the Mississauga border. Now, the city of Mississauga has high class industry all along there



for about 700 or 800 ft on the south side of the QEW; and then there is residential development behind it.

**Mr. Philip:** Those are \$100,000 houses. You are going to get some pretty high class static, too, when they get used to—

**Hon. Mr. Snow:** I don't know if they are \$100,000 houses they are planning in there or not, but I do know that there is some objection to having industrial in that particular location. I said to my own Oakville town council: "For God's sake, don't let housing be built right up against that highway and cloverleaf, or both the town and the ministry will be in problems for the rest of our lifetime with the noise." So I hope they are giving it consideration, and I hope other municipalities will too.

Vehicle standards and noise from vehicles are things over which we do not have control. That comes under federal jurisdiction. But pavement design and safety versus the noise factor is a problem that we have to wrestle with—whether you have rough pavement that makes a little more noise and is a lot safer; or whether you have slick, smooth pavement which people get killed on every time it gets wet. I mean, how do you weigh those advantages, one against the other?

You mentioned public transport for the handicapped, we have been involved in this to some degree. The UTDC have developed a bus with hydraulic lifts that can be used by people in wheelchairs. We are also involved with the social policy field. The Provincial Secretary for Social Development (Mrs. Birch) is heading a committee looking into the problems of transportation for the handicapped. We have representation on that committee, although we are not the lead ministry in that area.

Then you got into intercity transportation. Of course, this is something we are very much involved in. I had to agree with a lot of your comments regarding the federal government.

**Mr. Philip:** I thought you would.

**Hon. Mr. Snow:** I expected maybe you would. I have made my views known, I think, fairly strongly to my federal counterpart. I might say, in all due respect, Mr. Lang and I have had a very good working relationship. We both took over these ministries about the same time, and I think we are making progress in federal-provincial co-operation, although I disagreed with him vehemently in his recently announced rail policy. He's living

with, I guess, some of the sins of his predecessor, and some announcements that were—

**Mr. Reid:** You've got a few to catch up to, I will tell you.

**Mr. R. S. Smith:** You haven't looked at your own railroad lately.

**Mr. Philip:** Would it be possible to walk into a confessional and get rid of the predecessors?

**Hon. Mr. Snow:** There have been a lot of promises made of great rail policies, a new rail transport corporation, and different things that Mr. Trudeau announced during a couple of election campaigns, which have never materialized.

You say the federal government is all hung up on aviation. In the last number of years, in fact ever since World War II, I guess, the emphasis has all been on aviation and there's been very little on anything running on wheels. The recent rail announcements, I feel, are totally inadequate as far as Ontario is concerned. We feel that we should have a balanced transportation system. We're not going to do away with the need for the airplane for long distance travel but we think good train service, especially in the high volume corridors, is most important.

**Mr. Philip:** Can I ask you a couple of questions on STOL?

**Hon. Mr. Snow:** Just a moment. Since a meeting with Mr. Lang last fall, we've set up what we call the FP-CORT committee, which is the federal-provincial committee on regional transportation. A similar committee has been set up with the prairie provinces—I forget what they call it—and the federal government. We're really getting down to work. Mr. Gerry Johnston, wherever he is back here, is heading it up for our ministry, along with his federal counterparts, and this is looking at all types of transportation, air, rail, STOL, bus, and I think this is the only way we're going to meet transportation needs is on this type of study which is going on now.

Whether Pickering airport is ever built or not, I wouldn't hazard a guess. I'm not going to say that Pickering airport or another airport in the Toronto area will never be needed. I think one concern of Mr. Lang is that the option for Pickering be kept open until the FP-CORT studies are completed. What concerns me is that the federal government is spending, without any fanfare whatsoever, \$130 million on improvements to Terminal 2 and is building a parking garage



at Toronto International Airport. We're spending \$8 million or \$9 million this year, or expect to let a contract in the near future for \$8 million or \$9 million, for improvements to the road system 409, or whatever you want to call it, Belfield Expressway, connecting into the airport, and this is only a modest job as far as Transport Canada is concerned in improving things at Malton. Yet their total announced policy for improvement of rail services is only \$30 million, and that's in a little section between Quebec City and Montreal, and it's just totally inadequate. I feel there has to be a lot more emphasis on improved rail transportation as well as air.

On the other hand, in the hearings that are going on in northern Ontario, I guess they've moved on into the west now, on the trans-continental system and on the line between Sudbury and the Soo and between Thunder Bay and Winnipeg, through your riding, Mr. Reid, we as a ministry are making a submission on the Thunder Bay to Winnipeg route and very strongly opposing the removal of that service. On the Sudbury to the Soo discontinuance, we perhaps maybe agree that that one is not feasible. The very small number of passengers using that rail service can be accommodated on existing bus service at a great saving and, in fact, give the people better service. I think they can get there an hour quicker or something like that on a bus right now than they can on that train.

**Mr. Wildman:** You've suggested subsidizing the buses though.

**Hon. Mr. Snow:** That is basically where a bus has to be put on to replace a train, where the bus is not economical. That may be in our general policy submission, but the bus system or service between Sudbury and the Soo is very viable as a private enterprise system. There's certainly no subsidy needed for those. I think there's only 14 passengers a day—was that it, Gerry?

**Mr. G. H. Johnston:** It was 17 on the train service.

**Hon. Mr. Snow:** An average of 17 passengers a day carried between Sudbury and the Soo.

**Mr. Wildman:** At 45 passengers, it's running at less than half.

**Mr. Reid:** The figures aren't much better on the Winnipeg-Thunder Bay run. There's no alternative there.

[3:30]

**Hon. Mr. Snow:** There is no alternative on that system. You have to look at the alternative.

**Mr. Reid:** CN doesn't publicize the—

**Hon. Mr. Snow:** We are very active in that area. Mr. Lang and I have another meeting on June 29, I believe it is, at which we will be going further into some of these matters.

You made some comments about transportation as a tool of planning and I can only agree 100 per cent with this but how we would ever be able to meet that, I don't know.

I think that transportation, whether it be rail service, air, highway or whatever it may be, has to be the greatest tool to lead and encourage development. If you want development in a certain area of the province, if you supply good transportation facilities to it, there is nothing much else that I know of which will encourage people to go there. But our problem—

**Mr. Reid:** You are admitting that it is not too good in northern Ontario.

**Hon. Mr. Snow:** That problem now—well, I don't know. I have some statistics I could give you as to our total expenditures and the percentage spent in northern Ontario which are pretty impressive.

**Mr. Reid:** Except that people aren't going up there.

**Hon. Mr. Snow:** I think our transportation planning and our transportation construction should lead development. At this stage we have trouble getting anything like enough money to meet the demands of the existing development, let alone being able to build highways or facilities in areas where they are not needed in order to encourage development in those areas.

I don't want to get into something of another ministry but when you look at the lands the government acquired at Edwardsburgh for future major industrial development, that particular area, from a transportation point of view, is perhaps the best-served or as well served as any place in the province. You have Highway 401 running right through it; you have the main lines of the CNR and CPR on the Montreal-Toronto run going right through that property; you have a deep-sea harbour on the St. Lawrence Seaway; you have the new oil pipeline going right across the property; you have the international bridge going to the United States.

**Mr. Reid:** Do we have any development?



**Hon. Mr. Snow:** No development yet but give us time. If there was ever a piece of property—

**Mr. Reid:** You have lots of development there; it is all transportation.

**Hon. Mr. Snow:** If there was ever a piece of property, as far as I am concerned, which is a prime area for the development of a new oil refinery or a new steel plant or a new something which relies on transportation, that has to be the ideal location.

**Mr. Villeneuve:** With sub-marginal soil.

**Hon. Mr. Snow:** And soil that is no good for agriculture. I think you will see in the years ahead that that will be a great development.

**Mr. Philip:** You should have been the Minister of Agriculture, then.

**Hon. Mr. Snow:** No comment. I am quite happy where I am, thank you.

I think we in the ministry have no problem with ideas or no problem with transportation policy and what we would like to do. We will be very active with the federal ministry as far as rail is concerned, asking for a much greater emphasis on improved rail services and a more dedicated commitment.

We have almost given up hope on the federal promises of assistance in the urban transit field. They promised 25 per cent assistance for vehicles but so far not a dollar has been received. That was promised in—was that a 1972 promise or a 1974 promise?

**Mr. Reid:** That was in 1974. Is this the \$100 million fund you are talking about?

**Hon. Mr. Snow:** They were talking about a \$300 million fund when they made the promise, and then it dwindled to \$100 million. Now they say there may be some consideration given to some money being available in 1977, so we really don't know.

**Mr. Reid:** So you are saying the money isn't there; there isn't a programme.

**Hon. Mr. Snow:** There hasn't been \$1 spent anywhere to my knowledge since those promises were made.

**Mr. Reid:** Has Ontario applied for funds?

**Hon. Mr. Snow:** Oh, have we ever!

**Mr. Reid:** What excuse do they give you?

**Mr. Gilbert:** I might say that at one time we actually got a draft agreement with the

former federal minister, but he couldn't get it through his cabinet. This appears to be one of the basic problems, that the Minister of Transport has to battle, I guess, in competition with some of the other programmes of the federal government.

**Mr. Reid:** It's not a constitutional problem then?

**Mr. Gilbert:** No, that didn't seem to be a problem.

**Mr. Bain:** It's a political problem.

**Hon. Mr. Snow:** To my knowledge, the only money we've got for transit from the federal government—correct me, Harold, if I'm wrong—was \$10 million, which was a one-time lump sum for the equipment for the Richmond Hill GO train. To my knowledge, that's the only thing we've got federally. I made a presentation to Mr. Lang a few months ago regarding the Trans-Canada Highway—granted, I didn't really expect it to be accepted, but it sure wasn't.

**Mr. Reid:** You weren't disappointed then?

**Hon. Mr. Snow:** Back in 1950 or thereabouts, the federal government saw its way at that time to get involved in an improved highway system and entered into agreements with all the provinces for the Trans-Canada Highway. Now, 25 years later, looking at our needs and the significance of the Trans-Canada Highway, I have suggested to Mr. Lang that there should be a similar type of agreement to upgrade the Trans-Canada Highway. You know, when there was nothing there, the two-lane Trans-Canada Highway looked pretty good in 1950. Now there is a need, at least on a major portion of it, for four-laning. I suggested a similar type of agreement between the federal government and the provinces to four-lane the Trans-Canada Highway, but I must say the idea wasn't received with any great enthusiasm.

**Mr. Laughren:** Other provinces get assistance for their portions of the Trans-Canada Highway, don't they?

**Hon. Mr. Snow:** Certain other provinces get things that we in Ontario don't get, for some reason.

**Mr. Wildman:** Manitoba doesn't.

**Hon. Mr. Snow:** I just noticed, for instance, that Manitoba's provincial highway programme is up 20 per cent this year.

**Mr. Reid:** Everybody is trying to get out of the province.



**Hon. Mr. Snow:** I guess they need the escape route.

**Mr. Laughren:** It's four lanes in and one lane out.

**Hon. Mr. Snow:** There is certainly money going into the Maritimes and Quebec through the DREE agreements. I think the Trans-Canada Highway agreement has been wound up in all provinces, but there is money being given out in large sums through DREE agreements.

**Mr. Laughren:** For highways?

**Hon. Mr. Snow:** For highways.

**Mr. Laughren:** The money finds its way into highways?

**Hon. Mr. Snow:** Especially in the Maritimes and Quebec.

**Mr. Ruston:** The province has DREE agreements in northern Ontario.

**Hon. Mr. Snow:** We have some DREE agreements which are handled through Treasury, and we have a few projects in our programme this year which are being funded out of TEIGA-DREE money. They involve some of the secondary highway work in the north—Geraldton airport is another one we're doing this year—but it is being funded out of regional development money, which is partially DREE and partially TEIGA. I think Mr. Philip had something he wanted to ask me a minute ago, and I wouldn't let him interrupt me.

**Mr. Philip:** I'll bring it up another time. I wanted to talk about STOL, but I'll bring it up under the appropriate item.

**Mr. Chairman:** Mr. Reid?

**Mr. Reid:** Can I move we adjourn?

**Mr. Philip:** By all means. The member for St. George will take over from you.

**Mr. Reid:** As always, I'll be brief. I want to discuss somewhat philosophically the role of transportation and just what it is. The minister talked about using it as a development tool. It has been obvious in the past that the transportation policy has been one of reaction to development wherever development happened to be and then people and goods and services had to be moved into those areas.

Reading "Ontario's Future: Trends and Options" from the Treasury leaves one just

a little pessimistic and somewhat perturbed as to just how much planning in effect there is going to be in the Province of Ontario, how much the COLUC study is going to mean, what, if anything, is going to happen to the Metro or Toronto-centred region plan and where transportation fits into all of this. We're talking about land-use planning and I would presume that it's going to be one of the larger topics in the next election.

Talking about agricultural land development, you mentioned Edwardsburgh. Nothing changes the character of land and of the use of land more than putting a road through it, or putting a railroad through it, or whatever.

I recall being on a land-use committee in northwestern Ontario a couple of years ago, in which we zoned land to varying uses. Then next year the Natural Resources Ministry came back and said: "By the way, we put a road through this land." In effect, this changed the land use completely and the whole concept of what we had been doing the year before.

**Mr. Laughren:** It was the same committee of the ministry.

**Mr. Reid:** Yes, it was the same committee that did it. In any case, it seems to me we have to have an overall land-use plan for the province to tie in with a transportation policy for the entire province, particularly if we're going to direct growth away from Metro Toronto. In line with that, I'd like to ask the minister if he could table with the committee—at least I haven't seen it—the Oct. 7, 1975 interim report of the subcommittee on regional implications of decisions in the Toronto transportation terminal task force.

**Hon. Mr. Snow:** Say that again.

**Mr. Ruston:** You have read it now.

**Mr. Reid:** The title is probably longer than the report. The basis, as I gather, and I'm only going by news reports—

**Hon. Mr. Snow:** Just a moment, I don't think we know what you're talking about yet.

**Mr. Reid:** This is a report of a subcommittee of experts from the provincial, Metro and city governments, dealing with the expansion of rail commuter facilities.

**Hon. Mr. Snow:** This is likely on Union Station, I guess.

**Mr. Reid:** Yes.

**Hon. Mr. Snow:** Is that report ready yet?



**Mr. G. H. Johnston:** That was the one that was prepared prior to the first meeting back in October, 1975.

**Hon. Mr. Snow:** Of all the ministers, federal and provincial.

**Mr. G. H. Johnston:** Yes.

**Hon. Mr. Snow:** There is another report getting close to completion.

**Mr. G. H. Johnston:** That's right. The second one is not complete yet.

**Mr. Reid:** This is the one that was so critical of the government that it was sent back for revision, as I understand. It dealt with the fact that your GO plans conflicted completely with COLUC and the Toronto-centred region plan.

**Mr. G. H. Johnston:** I'm sorry, that is the report that was prepared by the land-use planning committee that was chaired by Mayor Crombie and I can't recall who else.

**Hon. Mr. Snow:** That would be part of this next report that's coming out, won't it?

**Mr. G. H. Johnston:** No, it won't be. This was the other committee.

**Mr. Reid:** You've got me confused.

**Mr. Gilbert:** I think what Mr. Johnston is saying is it is not a report of this ministry.

**Mr. Reid:** But there is a report of this ministry dealing with the expansion of GO Urban that, I understood, was critical of the direction the policy was going. Is this the one that's in the process of being prepared and will be available soon?

**Mr. G. H. Johnston:** If I might, there were two committees established. One was called the implementation committee, which was chaired by Mr. McNab. The second committee dealt with land-use matters and was chaired by Mayor Crombie. I can't recall who the co-chairman was in that particular case.

**Mr. Reid:** Were there provincial people on both committees?

**Mr. G. H. Johnston:** TEIGA, I believe, were involved in the land-use committee as well as the Ministry of Housing. They issued a report. I'm sorry, I misunderstood what report you were referring to and I believe that's the report you mean, the interim report put out by the land use committee.

[3:45]

**Mr. Reid:** Who would be responsible for the interim report of a subcommittee on regional implications of decisions in the Toronto transportation terminal task force?

**Hon. Mr. Snow:** That's Mayor Crombie's committee.

**Mr. Reid:** That's Mayor Crombie's committee? Okay.

**Hon. Mr. Snow:** I think I know what you're talking about. There is one individual, I believe, or one member of that task force, who questioned the extension of GO Transit to Streetsville, the improvement of the Lakeshore run and the extra trains planned for Georgetown and Richmond Hill as to whether that was contributing to centralization in downtown Toronto. I think the other planners will say it makes decentralization possible. As I think I told you one day in the House, those trains run both ways.

**Mr. Reid:** Yes, you did; that was one of your better lines.

**Hon. Mr. Snow:** They'll carry passengers from downtown Toronto. This is part of the Metro plan for decentralization within Metro and the development of other central cores in Scarborough, North York, the Mississauga city centre and so on. To make them successful and to make those cores compete with downtown for development, you have to have the transit links between downtown and those cores. That's what GO Transit does, in my opinion.

I realize a lot more people ride from Oakville into Toronto on GO Transit every morning than go out the other way, but there are people who go the other way on GO-Transit, too.

**Mrs. Campbell:** Could I just point out, if I may on this, that one of the points in those reports was grave criticism of the work your ministry was doing in the area of Union Station and the effect it would have on their plans for that area. I don't think that has been answered. It isn't just the trains themselves; it's the work you had to do to provide the additional train service.

**Hon. Mr. Snow:** Those reports aren't yet complete. I understand they are nearly completed now and there will be another major meeting in the not too distant future with the federal people involved, the railways, the city and different ministers of this government.

**Mrs. Campbell:** Then you have done nothing in that particular area on any work to provide for the additional service, as yet?



**Hon. Mr. Snow:** No physical contracts have been let at all to my knowledge but we have money budgeted in our TATO vote this year to do some work there. We have designs which have been developed to deal with the Bathurst grade separation problem. They've come up with preliminary plans which I've seen, and they've come up with some good solutions to problems down there.

**Mr. Gilbert:** I was just going to say—

**Mrs. Campbell:** I'm sorry I interrupted; I didn't mean to but I thought it might clarify it.

**Mr. Gilbert:** I might say that there were two committees operating and I think you will agree, Mrs. Campbell, that some problems always develop. What the minister is referring to is a meeting which will take place. A lot of problems came out of the interim report and questions were being asked but now the parties have got together and clarified their thinking, and we would hope that at this meeting which is coming up there will be, more or less, the senior people to clarify it.

**Hon. Mr. Snow:** A lot of consultation has taken place between the two railroads, the Toronto Transportation Terminal—which is some separate joint company between the two or three railroads and the federal government—and, of course, the land use committee of Mayor Crombie and the other committee headed by Mr. McNab. They've been working on the technical details, the signalling, the re-arrangement of tracks. I think most of the problems brought up have been sorted out and we're hoping that when these reports are ready they will work to start down there which will be agreeable to everyone.

**Mrs. Campbell:** The city just didn't want you to proceed against their land use planning report. They wanted it to be considered together and if that's being done, that's fine.

**Mr. Chairman:** Mr. Reid, would you like to proceed?

**Mrs. Campbell:** Sorry, Pat.

**Mr. Reid:** No, there's no problem. We will maybe go into that a little later.

The point seems to be that there seems to be a conflict and no overall concept of where we are going on these matters. In relation to that, I might also talk about STOL for a moment. I'd like to get the minister's views on how he sees STOL. It seems to me that STOL is going to be a very expensive proposition for any level of government to get

into. The federal government's demonstration project ended three months early because of, supposedly, the expense that they ran into. I understand that the de Havilland people are going into communities in the southern part of Ontario, north of Toronto and south of Toronto, telling the municipal councils that the secret to their success is to have a STOL airport in their little town so that business executives can commute back and forth and development and industry will spring up immediately. It seems to me that this is hogwash.

**Hon. Mr. Snow:** Would you call northern Ontario and their service into your community hogwash?

**Mr. Reid:** No, I wouldn't.

**Hon. Mr. Snow:** That's a STOL service.

**Mr. Reid:** It's a STOL service, but nobody ever suggested that it was going to mean instant development for communities in the north.

**Hon. Mr. Snow:** No, but it is part of a blended transportation system.

**Mr. Reid:** Yes, exactly.

**Hon. Mr. Snow:** Each level of transportation—I mean, some people like to drive cars, some people like to ride trains, others like to go by air, and I don't think you can rely totally on one mode.

**Mr. Reid:** No, and this is what concerns me, that there seems to be, you mentioned the word yourself, you were obviously reading our transportation critic's comments last year and what he talked about—

**Hon. Mr. Snow:** Why? Did I say something good?

**Mr. Reid:** Well, you said something intelligent, which obviously you must have got from his comments, discussing a balanced transportation system.

I'm a little concerned about STOL and the way it is being sold, and I wonder if the minister can give out his views. I am not talking about northern Ontario, where the STOL aircraft perform many functions, probably where it is needed the most, but I am interested in the minister's reaction to the possibilities of STOL on Centre Island, for instance. I understand again that there is another report that was done by your ministry in which it suggested that pleasure craft or light planes that are now using the Centre Island airport and STOL aircraft would be



incompatible. I wonder if we could have a copy of that report during the estimates?

**Hon. Mr. Snow:** There is one report that was presented to the four level committee studying the Toronto Island Airport now—which is, Metro and the city and the province and the federal government as well as the Harbour Commission; I guess it's five different levels involved.

**Mr. G. H. Johnston:** I was just going to add, sir, that the only study that has been done on the compatibility between STOL and general aviation was done by the federal government at Rockcliffe Airport. That's the only place where these two modes have co-existed.

**Mr. Reid:** The province hasn't done anything?

**Hon. Mr. Snow:** I think STOL is considered by many people as something brand new and different. STOL aircraft have been using Toronto Island airport for years, ever since the first Beaver landed there I guess, and there are presently STOL aircraft and Twin Otters going in and out of Toronto Island Airport quite frequently.

**Mr. Reid:** Natural Resources planes?

**Hon. Mr. Snow:** Certainly, so STOL aircraft landing at Toronto Island is not something new and different that has never happened before. There has never been a scheduled STOL service, and whether there should be or not I guess time will tell, and the studies that are being carried out. I know the demonstration project of the federal government—I haven't seen any final reports on it but I know a little about it—between Ottawa and Montreal was a well-used service—

**Mr. Reid:** Except on the weekends.

**Hon. Mr. Snow:** —although it lost money. There may be reasons for that. They were on a fairly high volume route, I would imagine, using small aircraft with high crew costs. For instance, the Dash-7 when it's developed might show a different economic picture on that route. I don't know, I'm just guessing.

One thing as far as development is concerned, we're never going to change the fact that downtown Toronto is the economic core of Ontario, if not of Canada. Regardless of how industry and plants develop in different areas, they are still going to need reasonable, good transportation to and from that core.

Different people, such as de Havilland, have done a lot of work on this. Naturally, they have a vested interest—they happen to

be owned by the federal government, of course—but they are promoting sale of a new STOL aircraft they're developing, which I think is an excellent machine. It will probably be, I hope, a very successful development by deHavilland. I think it will sell world-wide, but whether it will become a major part of transportation in Ontario, I don't know.

I think the need for DC-9 service between Windsor, London and Toronto is a little ridiculous. You're just up and you are down again. I think improved rail service in that area will help handle that traffic—such as downtown-to-downtown rail from London. The ads that CNR has been running this last few weeks are very encouraging. I think they are running 10 trains a day to London and six to Windsor and four to Sarnia; and both the fares and the travel times are good.

But a DC-9, the power and speed of that thing, running that route? I think that route could probably—and I understand it's a loser for Air Canada, I don't have any figures but somebody has told me that—that type of route might be served by a Dash-7, for instance, a smaller aircraft. It might be a little slower, but when you figure the clearance times it might take only a very few minutes longer, it might be a much better way of handling it. For instance, Toronto, Kingston and Montreal might be other routes; I don't know. There are a lot of people more expert in this area than I am. I don't think we can write off STOL as something that should be forbidden and I don't think it's the panacea for all our transportation problems, but it's one segment of the transportation system.

**Mr. Reid:** If we go the STOL route in communities which don't have either the airports or the airport facilities, who is going to pick up the cost of those facilities for STOL if we put this system in, particularly in southern Ontario?

**Hon. Mr. Snow:** I think in most communities that I know of where any type of service is being considered the airport is already there. It doesn't take very much of an airport for STOL service; this is one of the benefits. On any routes or suggestions that I've seen put forward for a service, looking at areas like Pembroke, Peterborough, Kingston, Sarnia, Kitchener, St. Catharines—Oven Sound is a problem; they've got a good airport there, a beauty, at Wiarton, but it's not very handy, people have to go in the other direction to get there. I think, for instance, a STOL service might be run from Sault Ste. Marie, Gore Bay, Wiarton, Kitch-



ener and Toronto. Regardless of all the asphalt we've put on Manitoulin Island, and the new ferry, it's still difficult to get on or off Manitoulin Island; but they've got an excellent airport at Gore Bay. A service like that might be one that an operator could run on a private enterprise basis.

[4:00]

**Mr. Reid:** You don't see these being subsidized by the government like norOntair?

**Hon. Mr. Snow:** I certainly don't see extending the norOntair service into southern Ontario on the basis that it is in northern Ontario at all. I see a system possibly being developed in southern Ontario by a group of private carriers, and this I would like to see. One of the greatest reasons for our success with norOntair is the confidence the public has in the system. As you know, it's run by four private carriers under contract, although the government, through ONTC, owns the six aircraft. If that system were being run under four different names, even with the equipment that they have, if four private carriers were running that system, I don't think it would have the degree of public confidence it has now. The travelling businessman that uses the service out of Sudbury today, Sault Ste. Marie tomorrow and Thunder Bay the next day doesn't know he's using four different carriers probably and four different trips. It's a system to him.

**Mr. Reid:** What frightens him is that it's got the government's name on it.

**Hon. Mr. Snow:** That's what gives them terrific confidence in it. I would like to see the private carriers in southern Ontario co-operatively go together into a third level air system in southern Ontario, rather than working individually as they are.

**Mr. Reid:** Are you encouraging this?

**Hon. Mr. Snow:** I don't know any of these people personally, but I know the system. There are Otonabee out of Peterborough; Pem-Air out of Pembroke; Wagner, I guess it is, out of Kingston; Bradley running from North Bay to Ottawa; Great Lakes running from Sarnia; and a new one that just started up this week out of Kitchener running into Toronto—all as individuals. If they were to go together, even perhaps with Nordair and with Air Canada, they could co-operate on a central reservation system and a central co-ordinated schedule so that the traveller gets one schedule. Instead of having a little schedule for Otonabee, showing a couple of

flights a day to Peterborough, and another one by somebody else, he has one schedule showing all the flights.

**Mr. Reid:** Is there anything going on in your ministry in regard to this?

**Hon. Mr. Snow:** Not at a very high degree. We're not spending any money on it. We're doing some talking to a few people. I've been talking to a few people myself. We're not proposing that the government establish an airline in southern Ontario or that we get into a norOntair type service in southern Ontario at all, but I would like to, as the minister responsible for transportation in Ontario—

**Mr. Reid:** Encourage.

**Hon. Mr. Snow:** —to encourage it. I've talked to several and I am getting some considerable degree of interest. I'd like to encourage them to get together, if I can assist in any way in getting them together. I've even talked to Mr. Taylor very briefly the other day when he dropped into my office. That is the president of Air Canada. I've talked to Mr. Smith, the president of Nordair, Ontario division, and a few others. I think that there are possibilities here of having those carriers make their operation more viable as private carriers and giving the public a better service.

**Mr. Reid:** When is this tri-level, or five level, committee going to report?

**Hon. Mr. Snow:** On Toronto Island?

**Mr. Reid:** Yes.

**Hon. Mr. Snow:** They're supposed to report at the end of June. I understand now that they feel they haven't had enough public participation and studies and it's now going on to the fall. I guess if we get a report by the end of the year we may be lucky.

**Mr. Reid:** Is your ministry looking at the alternative of Downsview?

**Hon. Mr. Snow:** We have really nothing to do with Downsview. I have mentioned Downsview to Mr. Lang in our meetings. Downsview, from my point of view, barring some problems, makes an ideal situation for an airport that could be utilized more—I'm not talking about big aircraft that would cause great noise problems for some of your residents up there.

**Mr. Philip:** Some of Mr. Davis's constituents also.



**Hon. Mr. Snow:** Downsview? I don't think Downsview—

**Mr. Reid:** No, not Downsview. We are not talking about Malton.

**Mr. Philip:** Okay. I thought you were talking about increased flow at Malton as a result of Downsview.

**Hon. Mr. Snow:** No. You see, you could stand on the subway platform at the terminus of the Spadina subway and throw a rock and almost hit the end of the runway. Looking at it from a transportation point of view, there would be some great advantages if some of these feeder airlines, or whatever you want to call them, were using Downsview so that businessmen wanting to get to downtown Toronto could get off an airplane and jump right on to the Spadina subway to go anywhere within Toronto. But, at the same time, there are other disadvantages in terms of traffic control problems. In talking to the federal people, I think there are two points of view at the federal level. That may not be unusual. It is like having two lawyers, you get two opinions—

**Mr. Reid:** Three.

**Hon. Mr. Snow:** —and you have to have a judge to decide.

Some people are concerned, for instance, that STOL aircraft or any increased use of Downsview would seriously interfere with the traffic patterns at Malton depending, of course, on which runways are in use. Other people say that is not a significant problem, that you can develop traffic and approach patterns that would not conflict. I won't attempt to say which side is right, but, of course, that is something which is totally under the jurisdiction of the federal government.

**Mr. Reid:** But you can see a businessman coming off a STOL flight from Ottawa or Montreal and getting on a subway? You can see the president of Air Canada or the Royal Bank of Canada or somebody like that getting off a STOL flight at Downsview and riding on the subway with the rest of us?

**Hon. Mr. Snow:** I don't see why not.

**Mr. Philip:** They do in other cities.

**Mr. Wildman:** You are very egalitarian, Pat.

**Hon. Mr. Snow:** If a person can get off an aircraft there and get to downtown Toronto

quickly on the subway, without any traffic problems, I think he'll do it.

**Mr. Reid:** All right. I think that has been one of the remarks—

**Hon. Mr. Snow:** Downsview has great advantage from that point of view, and in our discussions with Mr. Lang, I have certainly suggested that Downsview should be part of our overall study of the Toronto area. The general aviation requirements should be part of the overall study. If some of the general aviation aircraft could be handled some place other than Malton, that might ease the traffic congestion there. For instance, if the Toronto Island airport was ever to be made a total STOL facility, then you have got to do something with the general aviation aircraft using Toronto Island airport.

As a practising pilot myself, I don't think there is any reason why STOL service and general aviation aren't compatible.

**Mr. Reid:** I can't understand why they aren't.

**Hon. Mr. Snow:** I land at Toronto Island airport periodically and at different other places, and I may have a STOL aircraft ahead of me or behind me. I may come in on a three-degree glide slope and he may come in on a six, but that doesn't mean to say we can't use the same runway.

There is a technical report that we tabled at the four-level committee, and I will have a copy sent to you.

**Mr. Reid:** Let's just talk for a moment about Malton, which would be close to a part of the riding of my friend the member for Etobicoke (Mr. Philip).

In Mr. Lang's statement of two or three weeks ago, as I recall, he made three comments particularly in relation to Toronto and Ontario. The first was that there would be no more international landing rights at Malton. The second was that there was a good possibility that some of the domestic traffic in future would not land at Malton, but that there would be direct flights from Montreal or Ottawa to, say, Vancouver, without any stopping at Toronto. The third one just slips my mind. Maybe the minister can refresh it for me. What was the third point?

**Hon. Mr. Snow:** I haven't got a copy or seen a copy of the statement. It is just what I have heard. He was expressing concern about the traffic congestion at Malton and said there would be no further foreign airlines, as I understand it, licensed to come to



Malton. I think part of it is they are trying to divert some traffic to Mirabel. They have a beautiful big airport down there and nobody using it or very few people using it. I don't know what else was included in that particular statement.

**Mr. Reid:** What I am getting at is, I wonder—

**Hon. Mr. Snow:** There are certainly times at Malton, at Toronto International, when it is at capacity. There is no doubt about it.

**Mr. Reid:** That's what I wanted to know.

**Hon. Mr. Snow:** At Toronto International you can't run these special charters or cheap flights and so on leaving at midnight or 2 in the morning which people will use. That's been proved. If the airlines, by better utilization of their equipment, can run a flight to Florida and back leaving at—

**Mr. Ruston:** They try to leave at 2 o'clock in the morning.

**Hon. Mr. Snow:** —two in the morning and getting back at 6 the next morning, ready for the business flights, and get an extra flight out of that airplane, they can do it cheaply. They can make it very good for people going on holiday who don't care what time of day or night they fly. But they can't do it out of Toronto because of the curfews, because of the residential area around it. I don't think you can take off after 11 o'clock with a jet aircraft at Malton or before 7 o'clock in the morning.

**Mr. Philip:** You are not supposed to.

**Mr. Ruston:** That's a real problem.

**Hon. Mr. Snow:** That's the problem of getting more utilization.

**Mr. Ruston:** That goes back to poor planning, allowing too many houses around the airport.

**Hon. Mr. Snow:** That's part of it. The airport has been there since 1936 or something.

**Mr. Ruston:** The airport was there before the houses.

**Hon. Mr. Snow:** Certainly.

**Mr. Reid:** Has your ministry any figures in relation to the number of take-offs and landings? Can you tell us specifically whether it is congested and whether it is congested all during the day or, if we had different

scheduling, whether Malton could handle increased traffic? Mr. Lang's statement, really, I consider to be somewhat blackmailing the way—

**Hon. Mr. Snow:** I wouldn't have said that.

**Mr. Reid:** I will say it—it's some type of blackmail and—

**Hon. Mr. Snow:** I have to meet with this man once a month so I—

**Mr. Reid:** It seems to me he has put Toronto in the position of being right back to Pickering or else. That's the flavour I got from the statement. How does the minister read the federal minister's remarks?

**Hon. Mr. Snow:** I can understand you getting that impression. I don't know; I have met with different groups and talked to different experts. To answer the first part of your question, I don't think we are in the air business to the degree that we can assess Malton precisely and I don't think we have done that kind of study.

That's the realm of the federal government. It is their responsibility but I have seen figures. You have a 4,600-acre airport, I think it is—or 4,500 acres—at Malton. You have a pretty good runway system there. You have a lot of room for more terminals and what not if they were needed and we are handling X number of passengers per year or per day or per month. You have other airports I have seen figures on in the United States which have 3,000 acres.

I think Heathrow, London, England, is on 3,000 acres and is handling three or four times the number of passengers that Malton is handling.

**Mr. Reid:** You really don't see the need for a new airport?

**Hon. Mr. Snow:** So whether Malton—how many more?—it all depends on the traffic controls. You don't see any J-3 Cubs flying in and out of Heathrow or O'Hare, Chicago—you don't see very many out of Malton either, I must admit.

[4:15]

**Mr. Reid:** You don't know where I can get a cheap J-3, do you, on floats?

**Hon. Mr. Snow:** No, I don't offhand. A lot of people can show you very convincing figures that Malton can handle an awful lot more traffic. One of the arguments may be that it would need a parallel runway to 1432, and this is one of the big controversies.



There's no doubt, with a parallel to 1432, that the volume could be significantly increased, but that would have a severe detrimental effect on the community perhaps, where more people would be under flight paths.

**Mr. Philip:** Do you think that a Premier with a headache from not sleeping at night would be detrimental to the government of this province or not?

**Mr. Gilbert:** Mr. Chairman, it's quite true, within the Ministry of Transport, and it's been mentioned here several times today, there is a very pro-air group and it has developed quite an expertise. As the minister has said, for us as a province to come out and start challenging that type of information, we have not had that expertise to do it.

We are going to have to develop more experts to start looking at the information that is being supplied, and the Ministry of Transport has offered to co-operate with us along these lines. To date, certainly we have not had the expertise to challenge that very strong pro-air group that's within the Ministry of Transport and there's no use saying anything else. They are there and they are experts.

**Hon. Mr. Snow:** We must say, too, that aviation in Canada has an enviable safety record. Unfortunately, we've had a couple of lusus, but as far as accidents are concerned just a couple of bad ones. Considering the air transportation in Canada, our record is very enviable.

The volume of traffic at Malton can be affected tremendously by the separation of departures and arrivals. I know myself, from flying in and out of Malton, their controllers are very careful, especially if you're in a relatively light aircraft. They make sure you have pretty good separation behind a 747 or something like that.

I also know, in flying into some of the airports in the United States, their controllers are excellent. They have you on radar and they'll be vectoring you in the last number of miles and they'll slide you in between other flights beautifully, with much less separation than what the controllers will here, say, in Toronto. I think the safety record in the US is pretty good too. They've had more accidents than we have, but they have a lot more flights.

I won't argue the point with Mr. Lang and his experts as to whether he can decrease the headway between flights and get

better volume out of the aircraft. That's a matter I think they have to settle.

**Mr. Reid:** Just completely apropos of nothing, you wouldn't know who the sadist is that designed Terminal 2, would you?

**Hon. Mr. Snow:** I have no idea. I know who designed Terminal 1, and people used to complain about Terminal 1 until Terminal 2 came along.

**Mr. Reid:** Maybe that's why they did it that way.

**Hon. Mr. Snow:** When John B. Parkin designed that airport back in the Fifties he designed an airport with four aeroquays, or in other words, four Terminal 1's, and then they built one of them and then ruined the whole thing by building that Terminal 2. I think a lot of us wish they could go back to the original plan and have—

**Mr. Philip:** Probably bought by private enterprise to put Air Canada out of business.

**Mr. Reid:** It was probably designed by the government, though.

**Mr. Ruston:** It was a warehouse originally.

**Mr. Reid:** In any case, I was going to talk about rail transport and the use of the rail corridors and so on, but we can probably get into that in the particular estimates. It's obvious that our biggest problem in the transportation field is the fact, again, of the split jurisdiction, with the federal government having control over aviation and over the railroads and the province basically being left to a large extent with highways and municipal transit.

I would like to get on to the particular votes, so I will cut my remarks off here, except to ask is Mr. Foley going to be here with us on Friday on the UTDC?

**Hon. Mr. Snow:** I don't know.

**Mr. Reid:** You will recall in the House I asked you some time ago, and you have never bothered to reply—

**Hon. Mr. Snow:** What was that now?

**Mr. Reid:** —just where we are at at the UTDC, and the ICTS.

**Hon. Mr. Snow:** I did tell you in the House, with in all due respect, that we are at the end of stage two of the development of intermediate capacity transit system, ICTS, and there is a major decision to be made—



**Mr. Reid:** As to whether to proceed or not.

**Hon. Mr. Snow:** —whether to proceed with the plan as outlined by Mr. Rhodes 14 months ago. That decision is in the process of being made. As soon as it is made, then I will be making a full statement in the House.

**Mr. Reid:** When can we expect that?

**Hon. Mr. Snow:** I was going to say in the fullness of time, but in the very near future.

**Mr. Reid:** They both mean the same thing. I take it then Mr. Foley won't be here, but somebody will. You yourself or someone will be able to answer.

**Hon. Mr. Snow:** I am not quite familiar with the UTDC operation. UTDC really is a private, federally-chartered corporation, although there is \$1 million in these estimates for contract research work that we are subletting, or at least that UTDC is doing for the ministry.

**Mr. Reid:** Yes, and you fund them as well, whether you get all your money from them or not.

**Hon. Mr. Snow:** Yes, I am the only shareholder of UTDC at the moment.

**Mr. Reid:** Right, then you can answer to the board of directors here. I will leave it there because I want to get into the specific votes.

On vote 2401:

**Mr. Chairman:** I might remind the committee that we have nine votes and 26 items to vote on. We will start now on vote 2401. I wonder would the committee consider taking items 1 to 6 as one item?

**Mr. Reid:** If I may I have a question right off the top, and I don't imagine we will spend too much time on this vote. In the executive, under salaries and wages, there is \$793,000. How many people does that cover?

**Hon. Mr. Snow:** Thirty.

**Mr. Reid:** So they are making something like \$25,000 on an average. Under employee benefits there is a total of \$920,000. Just about everywhere else I have looked the salaries and wages are well over and above the employee benefits. I wonder why there is the discrepancy here and why the employee benefits are so large for this group?

**Hon. Mr. Snow:** I think the Workmen's Compensation Board payments for the entire

ministry are in that sum. In fact, \$825,000 of that \$920,000 is Workmen's Compensation Board payments for all the employees of the entire ministry.

**Mr. Reid:** One other question, if I may—and that certainly explains that one—

**Hon. Mr. Snow:** I asked the same question as soon as I saw it.

**Mr. Reid:** Great minds think alike, obviously. There is no reaction to that; you are not going to touch that one.

**Mr. Philip:** He is speechless with that one.

**Mr. Reid:** The other question, in the entire estimate for T and C, is this all the money that you are getting from Management Board, or are there any special warrants or Management Board orders or particular grants or subsidies that you would get from Management Board over and above what is in the estimates?

**Hon. Mr. Snow:** No, there have been no Management Board orders or authorizations to commit funds beyond these estimates this year. In fact, Management Board has been very precise in saying that there shall be no over-expenditures this year. Although, it hasn't been normal, there have been in the past years Management Board orders for specific projects that were not included in the estimates.

Last year, as you recall, when we were hearing the supplementary estimates, we got certain approvals for additional moneys. That was last fall, right about last November, we had supplementary estimates and I think there was \$20 million we asked for in our road construction programme. When we got everything finalized, we didn't nearly use that really because of certain changes in conditions.

**Mr. Wildman:** Mr. Chairman, on a point of order, just to clarify this for me. If we're dealing with 2401, are we going to deal with it all as one group, or are we going to deal with it in each specific item?

**Mr. Chairman:** Vote 2401, items 1 to 6, if you accept it as one vote then you can talk in the—

**Mr. Wildman:** I have one question in relation to that. Is it possible—

**Mr. Chairman:** You are the leadoff.

**Mr. Wildman:** Yes, well I understand that, but I wanted to know what I can do here.



Is it possible for me to ask some rather general policy questions, or do you want me to deal specifically with the various things under here? I'm open to whatever you decide.

**Hon. Mr. Snow:** They are in different areas; perhaps we should deal with them item by item. So we're on vote 2401, item 1, executive, which Mr. Reid has been questioning. Is that okay?

**Mr. Ruston:** This is the general policy of the ministry then, I guess?

**Mr. Wildman:** That's what I'm asking basically.

**Mr. Ruston:** Would you accept that, Mr. Chairman?

**Hon. Mr. Snow:** Under vote 2401, item 1, you can discuss almost anything, I think.

**Mr. Wildman:** Basically, I want to know if I can ask some general policy questions.

**Hon. Mr. Snow:** Yes, you are under the executive vote and I guess that's okay.

**Mr. Chairman:** We have Mr. Wildman, Mr. Ruston and Mr. Davidson to speak. Mr. Wildman.

**Mr. Wildman:** Thank you. I'm concerned, as Mr. Reid was, with the fact that transportation and communications are central to northern development and the kind of regional planning and controls this government is apparently unwilling or unable to take. As he said, it seems to me the whole approach to northern development has been rather ad hoc and sort of reacting to development rather than planning for and directing economic and social development.

We end up with a situation where the "golden horseshoe" of southern Ontario has profited from the exploitation of the northern resources and we have a rather poorly diversified and non-integrated economic base in the north. The transportation network seems designed to export raw materials to the south for processing, perpetuating the position of the north as a sort of hinterland.

I want to refer to this report that was tabled, "Executive Summary on Freight Rates and Related Problems: Northern Ontario." I have a couple of questions on that.

**Mr. Williams:** Mr. Chairman, could I ask a question? Mr. Wildman just made a statement about the transportation corridors being provided to bring their raw resources down to the "golden horseshoe."

**Mr. Wildman:** I didn't say transportation corridors.

**Mr. Williams:** Well, what was it?

**Mr. Wildman:** I said the whole transportation system, and I said I wanted to talk about freight rates particularly, which I'm sure the minister realizes is—

**Mr. Williams:** I'm just wondering, Mr. Wildman, were you suggesting that these corridors were detrimental to the economy of northern Ontario?

**Mr. Wildman:** My suggestion is that it produces a situation development but it has basically been raw material extraction rather than processing, which we would like to have in the north as well.

**Hon. Mr. Snow:** If I might just say, on that particular item, you're talking about the freight rate report. We can proceed with it, but Mr. Summerley, the author of that report and the expert on it, is not here. He would be here under the planning vote.

**Mr. Wildman:** Okay, I'm willing to leave it until then.

**Hon. Mr. Snow:** I or someone else here may be able to answer your questions, but if not, we'll have to wait until he is here.

[4:30]

**Mr. Wildman:** I would leave that until Friday or next Monday. Okay. That's what I asked in the first place.

**Mr. Williams:** Pursuing that one point for clarification, Mr. Wildman, would it make any difference whether the material was processed in the north or processed in southern Ontario? What effect would—

**Mr. Wildman:** Of course it would. If you export raw materials, you also export jobs. The jobs are in southern Ontario and if we want to keep young northerners in the north we had better produce jobs.

**Mr. Williams:** Yes, but as far as the transportation facilities are concerned, I don't appreciate what influence that would have.

**Mr. Wildman:** I'm sure the minister would agree that the freight rate structure we have now discriminates against the north and makes it cheaper to export raw materials to southern Ontario than it does to export processed goods.

**Mr. Williams:** It's the freight rate structure that wants—



**Mr. Wildman:** Particularly. That's why I was referring to this study right here.

**Mr. Chairman:** Mr. Ruston is next but since he's not here, Mr. Davidson.

**Mr. Davison:** I have a very short question under item 1. Before I get into it, I realize it's a statutory thing and it's not something we vote on at the committee. Are you the only minister entitled to two parliamentary assistants?

**Hon. Mr. Snow:** That is in the makeup of the estimates here; I do not have two parliamentary assistants, I have one.

**Mr. Davison:** Right.

**Hon. Mr. Snow:** At one time, when the chairman of the Ontario Northland Transportation Commission was a member of the Legislature, he was a parliamentary assistant to the minister.

**Mr. Davison:** I think I know who we are talking about.

**Hon. Mr. Snow:** That is no longer the case. I appointed Mr. McChesney—I have trouble with names, I can't even remember years—who is the chairman of the ONTC right now and is doing an excellent job. He will be here, I imagine; you'll have an opportunity to meet him when we are discussing the ONTC vote.

There really should not be funds in there for two parliamentary assistants.

**Mr. Davison:** Will we see an amendment to the Act? Will you be talking to the government about getting rid of that?

**Hon. Mr. Snow:** There's no amendment to any Act. It's just that the Act does allow parliamentary assistants—

**Mr. Davison:** Yes, it's the Executive Council Act.

**Hon. Mr. Snow:** —to be appointed and I don't believe it says whether there can be one or two. At one time the Treasurer had two parliamentary assistants for different aspects of his ministry.

It's not my intention to have two. There is no intention to make a second appointment and next year when our estimates are—

**Mr. Davison:** It won't appear?

**Hon. Mr. Snow:** —being prepared, only one would appear.

**Mr. Davison:** That's all I wanted to know.

**Mr. Chairman:** Is that all, Mr. Davison?

**Mr. Davison:** On item 1, that's all.

**Mr. Chairman:** Mr. Ruston, you missed your turn but since we are very lenient today, go ahead.

**Mr. Ruston:** I ran across somebody I knew in the hallway and couldn't get away from him. Anyway, a few things have concerned me and some of them have been discussed here today so I'll try not to repeat them.

In the past estimates I have discussed in general the possibility of rail transportation in mileage areas of less than 200 and so forth which you've already mentioned. I notice, though, that these don't always work out. You are familiar with Amtrak in the United States? It travels from Detroit to New York and the train runs within half a mile of my house; almost any day you are lucky if there are 15 people on board. Just putting the train on the track and expecting it to take passengers isn't the way to do it. It takes more than that. It's got to have service; it's got to be short haul. I don't think you'll ever replace airlines when it comes to travelling all day or something like that.

**Hon. Mr. Snow:** I don't think that is necessary. With the present attitude toward rail transportation I think you are right to some degree. I think there needs to be a different philosophy, a different viewpoint, on the part of the federal government and especially the CNR. The CNR are very interested in improving their passenger transportation services in certain corridors where they feel they're viable. However, they need new equipment. There isn't a piece of equipment on the road, I don't think, less than 30 years old. Railways can and, I think, will use the same type of philosophy as the airlines with regard to stewardesses. They may have to change a few rules here and there, I don't know, but with stewardesses serving drinks and meals in the coaches, as the stewardesses do on the airlines, they can offer an excellent service for routes, as you say, of a couple of hundred miles. The experts tell me that the Windsor-Toronto corridor is the most viable corridor in Canada for this type of service.

**Mr. Ruston:** Yes. I have a boy who works for Air Canada and he's concerned about it, I can tell you that.

What you mentioned about the train is true but, on the other hand, it depends on the type of system they have. I can recall, when Canadian National put on their new



cars to Windsor about eight years ago, they had a showing; they were all-aluminum or something.

**Hon. Mr. Snow:** They were a tag-on order. That's the only new equipment they've got.

**Mr. Ruston:** The problem I found with them, though, having used them a considerable number of times, was that they were very noisy. In fact, it was a relief to get on the old cars where the seats reclined; you could relax and have a snooze if you so desired.

**Hon. Mr. Snow:** The reason for that, if I may clarify it, is that those cars were never really meant to be long-range cars. They were a tag-on order to an order we had with Hawker-Siddeley for GO train cars, as I understand it. Our cars were, of course, designed for short distances or commuter runs—from Hamilton to Toronto and out to Pickering. The CN had some cars made at the same time; they are basically GO train cars, only a little different.

**Mr. Ruston:** I went to see the cars the day they had the showing of them. They had hi-fi music playing in them while they were standing on the siding, but the hi-fi music didn't work when the cars went down the track because they were so noisy. However, that's beside the point.

You mentioned buses. I was reading in the Western Ontario Business Travel and Recreation newspaper about a new bus route from the Holiday Inn in downtown Toronto. I noticed that the buses have two seats on one side and one seat on the other side.

**Hon. Mr. Snow:** The executive commuter bus. It is similar to the service that the ONTC run between Toronto and northern Ontario. The buses have big, wide, luxury seats, washrooms and so forth. I forget who the carrier is who implemented that service between London and Toronto.

**Mr. Gilbert:** Charterways.

**Mr. Ruston:** With regard to the airports, which you were discussing, I don't want to go through it again, but after listening to the conversation here, it appears that the government of Ontario, in effect, has in some way to approve wherever the federal government is going to put an airport. You have to get involved in it through ground services. I believe it would be very difficult for you to approve the airport, in effect, if you're not aware of the real necessity of further landing

areas. Whether they're going to supply you with the information they must have to show the need, I would hope they're not so narrow-minded that they would want to build a new airport within 35 miles of one that exists already unless there was some necessity. You would have to assume that, however, you would question it.

It seems to me that your ministry must have access to this information or acquire it yourself—you say you are heading that way now—because otherwise it's very difficult for you to make a decision to put in the ground services for an airport unless you know that the necessity is there. As much as governments must trust one another, and we have to get along with other jurisdictions, federally and provincially, we're going to have to get some co-operation from them, it seems to me. To find out for sure if it's really necessary that another airport should be built. Of course, we are aware that from what I have read—and I was just reading over a letter from Mr. Marchand to Mr. Davis on June 12, 1975, and then the reply of July 10, 1975, with regard to the Pickering airport.

But there is no doubt about it, from what I have read, that another runway at the Toronto airport would solve many of the problems. But it depends on whether you can accept such a thing because of the residents who are living there and the fact it has been built up so much. It is not an easy matter, of course. We accept that. But I also think the information that the federal government has as to the necessity of further landing areas is going to have to be shared with your ministry, because you are the one that has to approve the ground services. So I would think that you are going to have to really either get this information yourself, or they are going to have to supply it to you.

**Hon. Mr. Snow:** I think through our FP-CORT committee we have as I mentioned before, greatly improved liaison and joint planning with the federal government. I don't think we in Ontario should be setting up and duplicating the expertise that they have in Ottawa. Neither government can afford to be duplicating that.

We have to have some capabilities, which we have I think, with the FP-CORT committee. When that committee reports, I hope that I will be in a position to say that we either support Pickering or we don't support Pickering.

But I think there are a lot of other things that have to be taken into consideration, like rail transit, like other airports. There is a study under way at the present time on the



Windsor airport, which I am sure you are familiar with—and one on Hamilton. Now, they have even been considering alternative sites for these airports. I guess I have no real reason to say this other than my own personal feeling and knowledge of the two airports, but I don't think it is necessary to relocate either airport. No matter where you relocate, it's going to use up a lot of agricultural land. Perhaps some improvements at both those airports would allow those airports—and I am thinking more specifically of the Hamilton one—to be better utilized and meet some of the needs, rather than building new ones.

**Mr. Ruston:** I think I would agree with you with regard to the Windsor airport. There is another thing that maybe we can discuss in this vote very briefly. What concerns me is the ministry's policy and attitude—and I don't know how you assess the need for traffic lights at intersections. I have discussed this in the estimates for a number of years now, and have had some pet ones that I was interested in. I don't know whether you would call it that.

**Hon. Mr. Snow:** I think we all have.

**Mr. Ruston:** We seem to think certain intersections need them more than others. You must have traffic counts over a period of time before you assess the necessity for a traffic light. In our own area on Highway 2, they have put one in on what we call Manning Rd. On the old Highway 2, the province wouldn't put the traffic light in. But since the county has taken over the road, it has been installed. And you share the cost of that one, of course. I have others that I have found, especially on Highway 18 and the La Salle area, where there was just a recent death. There are some others in Essex, which were turned down. But I wonder if there is anyone who can give me a general idea of the basis that you use to determine the necessity for traffic lights.

**Hon. Mr. Snow:** This is done on a warrant basis. It really comes under 2404—

**Mr. Ruston:** Yes, I didn't know if you—

**Hon. Mr. Snow:**—under our design vote.

**Mr. Ruston:** I see, okay.

**Hon. Mr. Snow:** It's a warrant system, taking into consideration the traffic volumes on both roads, the turning actions, the different things, as to whether an intersection warrants a traffic control device or the type of traffic control device that is required. This is a very sophisticated engineering design problem.

**Mr. Ruston:** I notice the terms of reference for the select committee on highway safety include driver examination and licensing standards and whether they should have photos and one thing or another. I have had reports from Toronto and in other areas where there are a number of cases where people go and obtain a driver's licence, take the tests and everything for a friend. There's really no way, I suppose, unless you take fingerprints or something that you can stop this completely. Maybe if everyone who applied for a driver's licence had to have a social security number, that might help. They get duplicated once in a while but maybe not as often. From what I can gather there are a number of cases of this. I'm sure it happens in places other than Toronto, but maybe here because of the size they figure it's done more easily.

This is something that concerns me and I've had it brought to my attention a number of times. I don't know what the answer is or how you control it. I don't think we have to discuss it now but when the committee is discussing photos and so forth and how to identify people obtaining a licence, I would hope in their considerations that that will be part of their recommendations or at least they'll look at it and see how serious it is.

**Hon. Mr. Snow:** That's the reason it's in there. There has been some consideration given to having a photo on a driver's licence; they do have this in some jurisdictions. A driver's licence is perhaps the most commonly used piece of identification in any jurisdiction, certainly in this jurisdiction. There are cases, I'm sure, where people lose their licence for one reason or another and borrow their brother's or something. The only identification we have on it is the height, weight and colour of hair and colour of eyes and so on, which is pretty hard to use to any great degree.

**Mr. Laughren:** I could use your licence.

**Hon. Mr. Snow:** I don't think I want to suggest that immediately every person in Ontario, our four million drivers or however many there are, have to rush out getting passport-type pictures taken. We have been investigating the possibility of implementing it by requiring it for all new drivers when they get their licence. This would meet the problem that you raised. I don't know how serious that problem is. If every new driver had to have his picture taken and we set up some kind of a system at the driver examination centre so that when they pass the exam they have their picture taken and it becomes part of their licence, I think it would stop the fraudulent use of drivers' licences for other



identification purposes as well as our own purposes. This is why we've asked the select committee to look into that.

I don't know whether Mr. Humphries or Mr. Gilbert can tell us how many problems there are or the problem of getting these examinations.

**Mr. Gilbert:** Mr. Humphries might have more detailed information. The one observation I would make is that, if someone is setting out to defraud, it is very difficult to come up with all types of ways to stop it. Our people are continually watching for this type of thing and I understand that convictions are made and what have you. No matter what you come up with, if someone comes in with the idea of attempting to defraud and no matter how airtight you have the system, some of them might slip through. Mr. Humphries, do you have any details on actual numbers?

**Mr. Humphries:** We have schemes to attempt to spot this sort of thing. I couldn't say that we don't get fooled but we do catch these people and they are put in the hands of the police and they're prosecuted. I think it's something that, being responsible for the administration of driver licensing, we are constantly concerned with and are attempting to keep our eye open to it. There are ways in which we do pick them up and as I say, we are reasonably effective in some circumstances; in others, probably not so.

**Mr. Ruston:** I realize it's not all that easy. Having worked in enforcement for 10 years, I know something of what it's like.

I think that's all I have right now on this vote. I don't think I have anything else right now.

**Mr. Williams:** As a matter of interest, on the other statutory proviso in vote 2401, city of Niagara Falls, compensation for loss of taxes, could the minister indicate the circumstances under which that statutory provision is made?

**Hon. Mr. Snow:** That has a great deal of tradition and history behind it. I've heard it discussed at every set of estimates which every minister has brought forward, since I've been in the House. It's a payment to the city of Niagara Falls in lieu of property taxes for the Rainbow Bridge under an agreement entered into in 1941 which terminates in 1980.

**Mr. Reid:** You are trying to get revised, aren't you?

**Mr. Williams:** The loss of taxes they would otherwise have derived if—what?

**Hon. Mr. Snow:** These are buildings. The buildings at the end of the bridge are not taxable as real property and this is a payment made to the city in lieu of taxes.

**Mr. Williams:** I see.

**Hon. Mr. Snow:** The payment is made pursuant to the Rainbow Bridge Act and the Act provides that the Rainbow Bridge will, for all time, be exempt from taxation including local improvements and school taxes levied by any municipality.

**Mr. Williams:** What is the ownership of the bridge? Is that a joint federal-US ownership similar to the—

**Hon. Mr. Snow:** The international bridges come under the jurisdiction of the federal Minister of Transport. Some are owned by bridge commissions; some are owned by the St. Lawrence Seaway Authority. There are many different arrangements for different bridges and tunnels.

**Mr. Williams:** Is the Ambassador Bridge in Windsor—

**Mr. Ruston:** That's privately owned.

**Hon. Mr. Snow:** Some of them are privately owned. Some of them are under commissions. Some of them are privately owned for a period of years and when the debentures are all paid off they revert to the governments. There are many different arrangements.

**Mr. Williams:** If the Niagara Falls facility, the Rainbow Bridge, is under federal jurisdiction, why would the province be paying in lieu of taxes?

**Hon. Mr. Snow:** The easiest way to answer that would be to get you a copy of the Act. I can't tell you the history back in 1941 but for some reason that was part of the agreement.

**Mr. Williams:** Part of the deal, I see. Is it the same amount each year or is it a diminishing amount?

**Hon. Mr. Snow:** It's a statutory amount, as I understand it.

**Mr. Williams:** An even amount?

**Hon. Mr. Snow:** It's right in the Act that this \$12,000 per year will be payable from 1941 to 1980. It must have been a 40-year agreement, I guess.

**Mr. Williams:** Yes.



**Hon. Mr. Snow:** What is going to happen at the end, after 1980, I don't know. Does anybody? I guess that would be up to the federal government.

**Mr. Williams:** We don't have any jurisdiction over setting the charges for use of the bridges, do we? The tolls are controlled by the federal authorities, I understand.

**Hon. Mr. Snow:** It's the bridge commission, I believe, that does that.

**Mr. Williams:** Apart from the Skyway at Hamilton and the garden city facility, do we have any bridges we've been extracting any tolls from?

**Hon. Mr. Snow:** There are no tolls on those bridges now.

**Mr. Williams:** There had been, but they came off effective the first of the year, was it, or was it last year?

**Hon. Mr. Snow:** Three years ago.

**Mr. Williams:** Was it three years ago that they came off?

**Hon. Mr. Snow:** There are no tolls anywhere on our system within Ontario.

**Mr. Williams:** None at all, eh? Has it been contemplated by the ministry at all that the introduction of toll road usage on the expressway system would be a desirable move based on its extensive use in the United States on the Interstate highways?

**Hon. Mr. Snow:** No, I don't think so. That is completely counter to the government policy of having a toll-free system. That certainly would be a major shift away from what our government policy has been.

**Mr. Gilbert:** In fact, it was looked at away back—

**Mr. Williams:** I am sorry, Mr. Minister, I can't hear the answers. There is a lot of by-play and discussion going on here.

**Mr. Gilbert:** I was saying that this whole thing was looked at when we started Highway 401. The government — I think the Premier at that time was Mr. Frost—came out on the side of toll-free roads, and I don't think we have ever seriously looked at it since have we, Hugh?

**Hon. Mr. Snow:** I remember the Treasurer's (Mr. McKeough) statement, at the time the tolls were removed from the two bridges in accordance with our policy of toll-free

roads, that with the removal of those tolls we had no tolls within the province.

**Mr. Williams:** On the understanding that has been the position of the government for some period of time, has the ministry, as a matter of information, kept itself current on what the revenue-producing features of the system have been in the various US jurisdictions where they are in use as an alternative to some of our current routes for deriving revenues, through a levy on our gasoline supply, and so forth?

**Mr. Gilbert:** Mr. Chairman, I don't think we have done any current studies on toll roads, but the whole point of user-pay is under discussion at the present time. I suppose toll roads are one of the things that you look at when you talk about user-pay. Let's look at the St. Lawrence Seaway. Let's look at the railways and everything else along these lines. But one of the best examples of how difficult it is to apply direct user-pay is Highway 401 itself. Look at Highway 401 and what has happened in terms of the development all along 401. If the user of that facility had paid for that over the years, I don't think you could really say that he was the only beneficiary of that entire system. Really, I think this is one of the arguments against total user-paying, whether you are talking about the St. Lawrence Seaway, a rail corridor or whatever corridor you are talking about—or a highway corridor, for that matter. It is clearly difficult to put the direct cost back to a user in any one transportation mode.

**Mr. Williams:** I guess the best example of it is our neighbour, New York State, where they use it not only on a state-wide basis but, I guess, within the inner-city expressway system in Buffalo, as an example. Is that part of the Inter-state system, or is that the inner-city expressway system?

**Hon. Mr. Snow:** I don't know. In some cases in the United States the roads are built by private enterprise, like an authority, and they use the toll system to pay for them.

But that is not our policy in Ontario.

**Mr. Williams:** I appreciate that, Mr. Minister.

**Hon. Mr. Snow:** I don't think I want to start discussing the toll road policy of the State of New York as part of my estimates.

**Mr. Williams:** I appreciate that.

**Hon. Mr. Snow:** I am not going to consider any toll road policy as part of these estimates.



**Mr. Williams:** I appreciate that, Mr. Minister, but it is interesting to have background information on those things; and not for the purpose of these estimates, but possibly for future consideration. It is interesting to know where the ministry stands at this point in time.

**Mr. Acting Chairman:** It is now 5 o'clock. We have Mr. Williams to continue, then Mr. Laughren and Mr. Philip. I wonder if you would like to waive your speaking and vote on item 1?

**Mr. Philip:** Mr. Chairman, is there some reason for adjourning at 5? Would it be possible to go on longer. Does the minister have other commitments? In the light of the rumour that we are only going to have limited time on it, I am sure we would be willing to sit longer today if it would facilitate getting it through, at least perhaps until this item is finished.

**Hon. Mr. Snow:** I didn't know what time we were sitting to, Mr. Chairman.

**Mr. Acting Chairman:** From 2 to 5 on Wednesdays has been the practice.

**Mr. Philip:** Would it be possible to add an extra half hour with the consent of all parties?

**Mr. Acting Chairman:** Does the committee agree to an extra half hour?

**Mr. Williams:** Mr. Chairman, at the outset the committee agreed the Wednesday sittings would be from 2 to 5, and I think the members of the committee have arranged their times accordingly to be available for that period of time.

**Mr. Reid:** We really don't have any commitment as far as I know. Nobody has told me that we are going to finish Monday so—

**Mr. Ruston:** I don't think that's—

**Mr. Williams:** Maybe we should just carry on under—

**Mr. Ruston:** We are on our time here.

**Mr. Reid:** We are under no time restraint down here.

The committee adjourned at 5:02 p.m.



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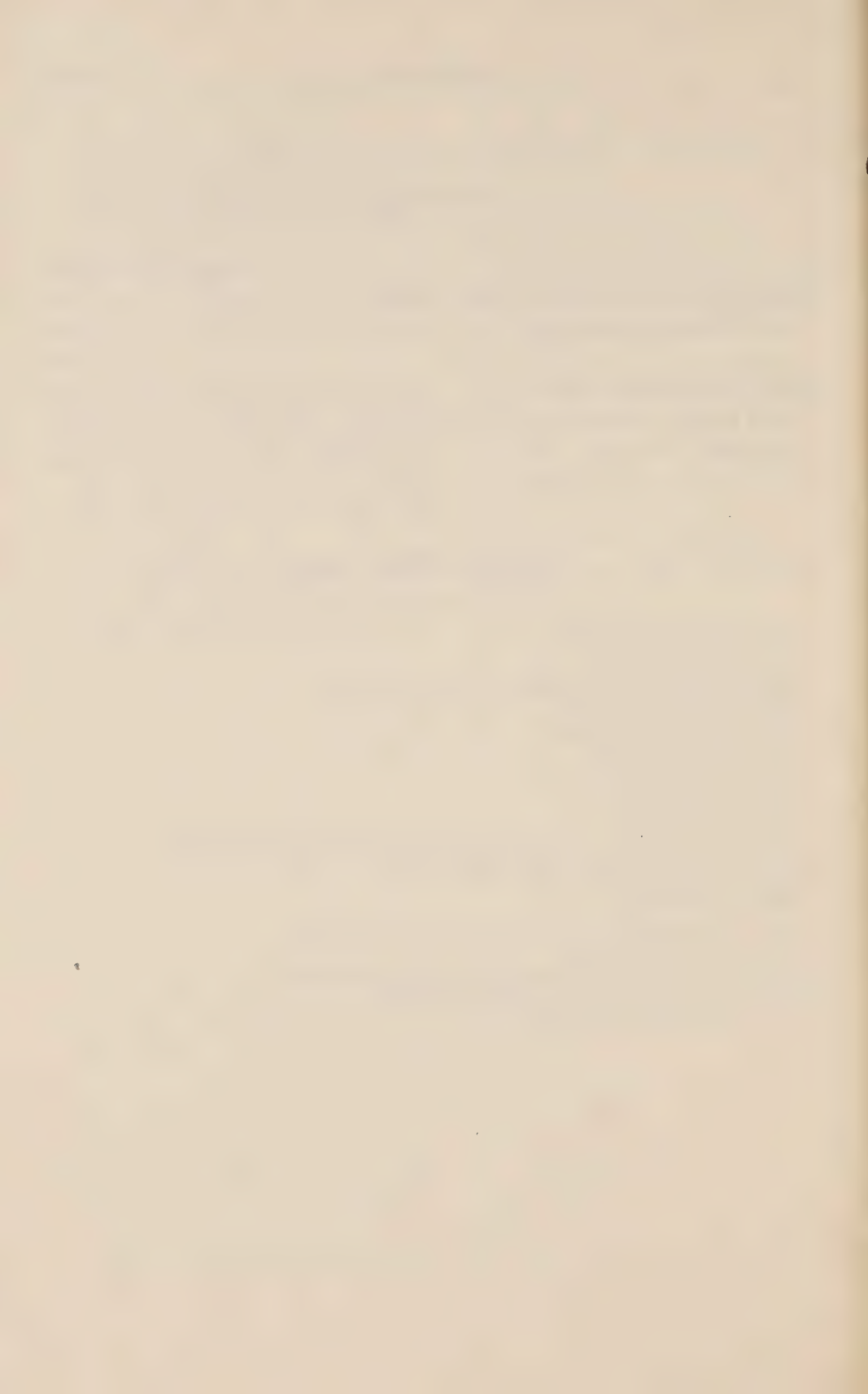
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Bain, R. (Timiskaming NDP)  
 Campbell, M. (St. George L)  
 Davison, M. (Hamilton Centre NDP)  
 Johnson, J.; Acting Chairman (Wellington-Dufferin-Peel PC)  
 Laughren, F. (Nickel Belt NDP)  
 McNeil, R. K.; Chairman (Elgin PC)  
 Philip, E. (Etobicoke NDP)  
 Reid, T. P. (Rainy River L)  
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 Smith, R. S. (Nipissing L)  
 Snow, Hon. J. W.; Minister of Transportation and Communications (Oakville PC)  
 Villeneuve, O. F. (Stormont-Dundas-Glengarry PC)  
 Wildman, B. (Algoma NDP)  
 Williams, J. (Oriole PC)

### Ministry of Transportation and Communications officials taking part:

Gilbert, H. F., Deputy Minister  
 Humphries, R. H., Assistant Deputy Minister, Drivers and Vehicles  
 Johnston, G. H., Executive Director, Planning Division  
 Wood, F. E., Director, Financial Branch







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# Legislature of Ontario Debates

**SUPPLY COMMITTEE—2**

**ESTIMATES, MINISTRY OF CONSUMER  
AND COMMERCIAL RELATIONS**

**OFFICIAL REPORT — DAILY EDITION**

**Third Session of the 30th Parliament**

**Thursday, June 3, 1976**

**Afternoon Session**

**Speaker: Honourable Russell Daniel Rowe**

**Clerk: Roderick Lewis, QC**

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## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

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THURSDAY, JUNE 3, 1976

The committee met at 3:33 p.m. in committee room No. 2.

#### ESTIMATES, MINISTRY OF CONSUMER AND COMMERCIAL RELATIONS (continued)

On vote 1306:

**Mr. Chairman:** The committee will come to order. I see a quorum. The chairman can't remember where we were; I think we are on registrar-general.

**Hon. Mr. Handleman:** Right.

**Mr. Chairman:** Vote 1306, item 1. Any comments? Mr. Moffatt.

**Mr. Moffatt:** Mr. Chairman, I have one simple question. I had a letter about three weeks ago from a minister of the United Church in the town of Bowmanville, who questioned one of the parts of the Marriage Act which had caused some problem for a few of his parishioners.

A young lady, who apparently was 16 or 17 years of age, came in to be married and that required a special permit to be signed by the girl's father before the proper papers could be completed and so on. As it turned out the girl's father was not available and the person would not complete the proper application form and she had to make all kinds of other adjustments.

First of all, the United Church minister's question was, is this not discriminatory in that it should have said either mother, father or guardian, which I suspect to be correct. I spoke to the Attorney General (Mr. McMurtry) about it at the time and he said he felt that might be a good interpretation but that's not what the law says. I wondered if there is any move afoot to correct that kind of ambiguous situation?

**Hon. Mr. Handleman:** I haven't heard of the problem before so I really can't answer the question. Maybe the deputy registrar general can help you.

**Mr. Humphries:** No, I haven't been faced with the problem either, because the Act clearly stipulates that if the father is dead or living apart from the mother, or not maintaining or contributing to such person, the consent in writing of the mother shall be obtained.

**Mr. Moffatt:** The father was not living apart; the father was on a business trip and was delayed. When the girl was asked, "Are your parents separated? Or, is your father dead?" she said no to both those questions and the person then would not complete the form. I don't know what the person is called who completes these forms but they would not complete the form. It was a ridiculous hardship, for no real reason as far as I could understand.

**Mr. Humphries:** I would like to discuss it with our solicitor, because I haven't been faced with the problem before.

**Mr. Moffatt:** Might it not be sensible to insert simply the word guardian or change it to mother?

**Mr. Renwick:** I have just one question. On the amendment to the Vital Statistics Act is there any need to hyphen the surname?

**Mr. Humphries:** We've had quite a bit of representation from women's organizations which feel very strongly on it.

**Hon. Mr. Handleman:** The male name comes first and we didn't even get a debate on that. I was prepared to give in if somebody wanted to make that optional.

**Mr. Renwick:** By regulation, can you require the hyphen or dispense with it, or do you need a special Act to dispense with it?

**Hon. Mr. Handleman:** I think they must be hyphenated, if I'm not mistaken; Mr. Humphries can explain that. I think they must be hyphenated under the Act.

**Mr. Humphries:** Yes, sir; this is the way it reads now anyway.



**Mr. Renwick:** Can you just run the two names together and make it into an unpronounceable—

**Hon. Mr. Handleman:** No, it has to be hyphenated, Mr. Renwick.

**Mr. Renwick:** It has to be hyphenated, I see.

**Hon. Mr. Handleman:** The thing is, when you're still here and I'm gone, with the third and fourth generation there may be three or four hyphens.

**Ms. Sandeman:** Can I ask a question? That's been worrying me—what the minister has just said.

**Hon. Mr. Handleman:** As a matter of fact I did think about it; and I thought long-range planning is fine, but that's just a little much.

**Ms. Sandeman:** I mean we can get Broggs-Brown-Sweeney-Smith.

**Hon. Mr. Handleman:** Exactly; it really hasn't happened, but this is not an uncommon thing in other jurisdictions.

**Mr. Renwick:** There's an admiral in England, I think, who has five names, all hyphenated.

**Hon. Mr. Handleman:** It can happen, but parents generally have more regard for their children than to do that to them.

**Mr. Renwick:** Have you noticed that, in the United States, in the absence of hereditary titles, they use the surnames as the Christian names, particularly on the eastern seaboard and the Ivy League colleges?

**Mr. Breaugh:** Don't they do it at all in Oshawa?

**Mr. Renwick:** What is the name of the president of Yale?

**Hon. Mr. Handleman:** I don't know the president of Yale.

**Mr. Renwick:** It's an example of two surnames, one used as the Christian. I'll go into that at a greater length on another occasion.

**Mr. Chairman:** Thank you very much. Any further questions? I have one or two things I want to mention.

Births have gone up slightly; deaths have gone up commensurately; still births are down and marriages are down; what is the correlation? I'm joking.

With respect to what has been submitted by the ministry on the other registrations during 1975, there is the legal change of name, 1,500 of them. I take it that means those changes of names which under the Change of Name Act have gone through the county court structure and have come back to you for amendment of the records. What I'm after is, is there any simpler way, any conditions at all, under which a person may alter their name on your register without the expense and inconvenience of going before a court?

**Mr. Humphries:** There is another section under the Act, section 30-31, which provides for a correction of an error in the spelling of a surname and this is used quite extensively. For instance, my father's name is Humphrey on his birth registration and on my records it is Humphries. If he could establish that the error was unintentional and could possibly submit a baptism certificate, we could correct that record, but if he had anglicized the name like a lot of people did prior to 1939, that becomes an application, technically, under the Change of Names Act. I'm speaking of a long-drawn-out name that doesn't even look like the anglicized version. We have quite a few corrections every day.

**Mr. Chairman:** In other words, if a fellow has a name like Dzagasvelli and he wants to change it to Duggan and he says he would be known as Duggan in Hungary if the Hungarians spoke English, you won't recognize that?

**Mr. Humphries:** No, that's right.

**Mr. Renwick:** Mr. Chairman, may I ask a question about that—not necessarily to get the answer today unless the answer's known.

I have on many occasions advised people that the only significance of the registration of their name is for evidentiary purposes and when somebody requires you to produce some kind of a document, and that any person, so long as he has no intention to defraud, can assume any name that person wants to assume.

For example, there's no law which requires a woman to assume her husband's name on marriage, which is often a question asked these days. And there's certainly no law which requires a woman to give up the married name on a divorce; or to prevent her from reverting to her father's name or family name in the event of a divorce. Or forgetting altogether the marriage situation, if somebody simply wants to change their name they don't need to go through any legal formality,



so long as they do it bona fide and honestly that's all that's required.

For example, if a person who has owned an automobile in their married name wishes to get their registration changed to the maiden name, then of course you've got to produce some kind of a document in order to accomplish that. But is my general proposition correct that all it is is an evidentiary matter and that in good faith people can use whatever name they choose to use?

**Mr. Humphries:** Yes. There are two schools of thought on this, among solicitors especially. Some hold to the hard line that no person shall change his name except under the Change of Name Act. But in the use of names we have many instances where a person has used a name—say to play hockey or something like that up north—and assumed that name. He runs into trouble, then, when his wife has a child; he's known in the district under that name and he has to register it under that name. It's very difficult for them to obtain evidence, sometimes, as to the true spelling of their name.

**Mr. Renwick:** But apart from that kind of problem there's nothing illegal about it.

**Mr. Chairman:** One final question, as far as I'm concerned. What are not-in letters?

**Mr. Humphries:** Not-in letters is another name for no record of the results of a search.

**Mr. Chairman:** Thank you. Further questions?

**Mr. Renwick:** I'd just like to say that your office seems to be extremely efficient and always courteous.

**Mr. Humphries:** Thank you.

Vote 1306 agreed to.

On vote 1307:

**Mr. Chairman:** Vote 1307, liquor licence programme. Two items; we'll take them together. Any comments? **Mr. Moffatt.**

**Mr. Moffatt:** Mr. Chairman, I don't want to take a great deal of time to go through this but I think there are a couple of items that really need to be mentioned.

As I indicated at the opening of these estimates, while it appears that the changes in the Act and the subsequent changes in regulations may over the long run turn out to be a more workable situation, which I'm sure the minister and this particular branch wanted to achieve, to my way of thinking, a dis-

service was done when those particular changes were put into effect.

I guess it is the case that some sort of announcement was sent out to municipalities that there were new regulations and a couple of amendments to the Act to be brought in and, therefore, there would be some significant changes on Jan. 1. It was not clearly indicated in municipalities with which I have checked that there was any effort made to point out to the municipality the present status in which their municipality was held by the Liquor Licence Board, as opposed to what seemed to be the generally accepted fact. In my own municipality we had a number of instances where the people assumed one thing because of past practices and, in fact, had been to some degree contravening the previous Act; and when the amendments were proclaimed and the Act was changed, the municipalities were left in a dubious situation and nobody really knew where to go.

[3:45]

**Mr. Cooper** visited the former village of Newcastle at my request at that time, and I am sure he can verify, there was a great deal of confusion as to really whose records were correct. The village had one set of records and this department had another set. As in all things, of course, the provincial government prevailed and the town was deemed to be incorrect. There are a number of people in that village who still don't think that was the appropriate thing to do.

I just suspect that a lot of the confusion that other people have had with regard to the new changes could have been avoided if there had been, in addition to this statement of change, a statement of the exact status of each municipality as it would then exist with these changes.

I know this is hindsight, but these kinds of things will happen again and I really hope that if we do get into this kind of situation once more we will wind up telling the municipality, "This is your status now. This is what it will be, and we would advise, or you may wish to do, one, two or three things." In my own municipality it was done after the fact by the town establishing a plebiscite and that has now been all straightened out.

I also want to ask what sort of procedures are under way now with regard to the people who are acting as inspectors? I had a letter from Mayor Potticary of Oshawa in October of last year, in which one of the residents of the city of Oshawa, the owner of a public house, was really quite irate because one of the inspectors had taken up a great deal of



time in his particular establishment; had taken over a table and sat there one or two afternoons a week to do his bookwork, and when he was asked to move told the proprietor that if he wanted to be tough with him, then he would get even.

I turned that letter over to the ministry and I really am sorry I did not receive an answer to that, or any kind of follow up, and I would like to know just what happened with that particular instance?

I think, as well, that a number of municipalities, or a number of public service associations or charities, or whatever you will, have run into difficulties with the changes in the Act, because people who in the past 12 months had special occasion permits really received no notice that there was to be a change in status, except sort of by word of mouth through a third and sometimes a fourth party.

This is a copy of a letter which originally went to the minister from the Woodview Park Association, which is a long established park association in Oshawa. They were quite upset when they found there were changes made about which they knew nothing until suddenly they were told there would be no more permits. I don't really think that that is the way you get public acceptance of this kind of change in programme.

I know a lot of the things are difficult to achieve and it is always difficult to get accurate information out, but certainly the perception in a good deal of the province is that the ministry and the board acted with a great deal of haste and without proper notice. I know that is not a fact in all cases, but that is the perception which the public has, and if you really want to make this whole thing work, you might be well advised to consider cleaning up that particular part of your public image.

**Hon. Mr. Handleman:** Mr. Chairman, first of all, on the first question, I want to make it quite clear that there were absolutely no changes whatsoever in either the law or the regulations or the administration of local option rules. We didn't touch them in Bill 44, we didn't touch them in Bill 45, and we didn't touch them in the new regulations. They remained exactly as they have been for a number of years. Mr. Rice can probably tell you how long those laws have been in effect. There was no change, absolutely none. What we were faced with was a court decision that said the previous practice, under the existing law and regulations, was illegal.

I don't think you can suggest to anybody they continue a practice which the court has said is illegal. There is no way that the board or the government had any way of knowing that the court was going to hold that in the case of the sale of liquor in dry areas. To put this on the ministry or on the board, I think, is completely unfair.

There were no changes. It was obviously a court decision which required a change in the administration. There was no way you could notify everyone—I don't know how many thousands of places there are in Ontario which might want to know that. The board did notify people. I think it honoured most of the applications it had in hand and it notified them as quickly as it could. I can't comment on the practice of the inspector keeping his books in licensed premises because I haven't seen that correspondence. It wasn't sent to the ministry as far as I know.

**Mr. Moffatt:** It was not.

**Hon. Mr. Handleman:** It was sent to the board, so the board is probably dealing with it. I can ask Mr. Rice or Mr. Cooper about that.

I thought your third point was the same as the first point—that we should have notified everybody about the changes in the law. I don't know how many thousands of copies of what we call a draft code would be needed. I think it would be insulting to members of the Legislature to send out something saying, "These are the regulations under the Liquor Licence Act." The Act hadn't been passed; there were no regulations.

We did send out what we call a draft code and asked for comments. We sent it out to municipalities, to chiefs of police and to almost every organization we could think of which might have an interest in it. Obviously, with eight million people in the province there were some we missed and I'm not even going to apologize for it. We couldn't cover everybody.

We thought we had covered everybody we could so if some organization in your town which runs, I assume, special occasions, was missed in our mailing, it's unfortunate. I don't recall anything getting wider publicity than the proposed changes in the Liquor Licence Act. If people read their papers they knew something was going on even if they didn't understand it. All they really had to do was ask us. We had lots of copies. We would have sent them to them.

**Mr. Moffatt:** I don't want to belabour this as I said. The most flagrant example of which



I have accurate knowledge was the handling of this situation with regard to the Newcastle Community Hall. The people—various organizations, Kinsmen, Kiwanis, you name it—have run dances there for various reasons, fund-raising, to some extent, on the price of the tickets. I'll be very careful with the wording of that.

They have a publicly elected board which runs that hall and runs it very well. It's no burden on the taxpayers or any of those things which are supposed to be so bad in Ontario right now. They found out about two weeks before the final date that there were to be no more special occasion permits for that hall because the law had been broken previously, I guess by the ministry or by the board or by somebody. As of March 1 there were to be no more special occasion permits. The people who ran that hall found out because the inspector happened to bump into the fire chief, who is not a member of the board, in the village of Newcastle and said, "By the way, there will be no more dances in the hall."

With respect, that is not the way in which anybody should find out anything. It is just not an appropriate way. The news went around that there were changes in the Act. Your statement notwithstanding, that is not what the people out there believed. Obviously, those things needed to be corrected.

If that happened in the village of Newcastle, which is a model of efficiency—and a politically astute town, too, I might add—what must the situation be in other parts of the province? It really boggles the mind. I know Mr. Nixon, in the community of St. George, has had a great deal of conversation with you about a similar situation. It's compounded by a vote having been taken within the last two years.

**Hon. Mr. Handleman:** As I said, there were no changes in the Act in that regard. What Mr. Nixon wanted were changes in the Act and there weren't any.

With regard to the second item, I wasn't aware of this. Perhaps Mr. Rice or Mr. Cooper can comment on the letter concerning the inspector's behaviour towards his clients.

**Mr. Rice:** The only occasion members of the inspection staff have to spend time in licensed premises is when it's required to bring what we call a long form up to date. This covers many aspects of the operation of a premises: The seating; the various rooms; the various licences within those premises. On occasions when this is required—this doesn't happen weekly or monthly or

even yearly—in other words, when a long form becomes outdated, the inspector is required to go in and do a complete assessment of the various aspects of that particular licence. On these occasions, if that happens, then it does require a specific amount of time on the part of the inspector in that area to spend in a licensed establishment. Apart from that, I am sure there's no reason for members of the inspection staff to spend an unnecessary amount of time in a licensed premises.

**Mr. Moffatt:** I gave the letter to Russell Cooper. By the way, I must compliment Mr. Cooper. He has been very co-operative in this whole issue and has been of great assistance. I gave the copy of the letter to Mr. Cooper when he was in Newcastle that particular evening and he said he would follow it up. I just wonder, at this point, what happened in that particular case?

**Mr. Cooper:** Yes, I believe I can dig you out a copy of a letter that went to you advising you that one of our supervisors had gone down and met with the licensee and with the mayor himself, and the mayor was more than satisfied with the information and response that he got.

**Mr. Moffatt:** Thank you.

**Mr. Cunningham:** Before I get into the more detailed aspect of my remarks, let me say on my own behalf from my limited experience here I have seen that you have injected a great deal of your own personal sincerity into the operation of these activities, and from that end I want to commend you. From my point of view, certainly the administration of the Liquor Licence Board is a difficult one. It's one that I imagine is put in a much more complex position as a result of the population here in Ontario. I think to that end you personally have injected a degree of common sense here that perhaps in the past we haven't seen.

I do have several concerns. I would like to share with you just briefly part of an editorial that I saw yesterday in *Windsor*. It was a lead editorial. It is entitled "Fear not, Ontario; LLBO Is on Guard." It says very briefly:

With its usual heavy-handed authority [This is the *Windsor Star* now, not me] the Liquor Licence Board of Ontario is tilting the pinball business.

Pinball games are now legal in Canada according to the federal legislation which recently went into effect.



But pinball games are still illegal under the Liquor Licence Act, largely because the most recent revisions to the Act came before Parliament changed the Criminal Code. In such a situation, the logical thing for the LLBO to do would be to go slowly until the Ontario Legislature caught up to Parliament in its thinking about pinball. It shouldn't take long.

But not the LLBO. [Again, those are the words of the Windsor Star.] There is a law on the books to be enforced, so they go ahead and enforce it.

The board's 112 inspectors have fanned out through the province taking shocked looks at pinball games on licensed premises [which I imagine—these are my words—have been there for some time] and ordering them out. And out they come unless the owners and operators can find some way out of a mess into which they seem to have been drawn innocently.

It may not even be up to the Legislature to end the silly struggle. Interpretation of the term "electro games" which are permitted by the provincial Act might do the trick. And the LLBO is famous for making its own sweeping interpretations of its powers under the Act.

Parliament has decided that pinball is no dangerous threat to the morals of Canadians. Several levels down the authoritarian ladder, the LLBO is thwarting that decision.

The public seems to have backed up Parliament's decision. In Windsor, pinball games have been accepted joyously and are making good returns for both the owners and the licensed premises which share the take. No one, except possibly the LLBO or its inspectors, has discerned any moral decay setting in across the province. People seem to enjoy pinball, in fact.

Which is probably the real explanation for the LLBO's puzzling action, upholding the old Ontario liquor-law spirit that if you enjoy something it must be wrong.

I am just wondering if, very briefly, somebody might favour me with a response to that. As well, I suppose in a similar context, it wasn't that long ago that I noticed the series of exchanges that took place between the board and an entertainment group, the MacLean brothers, whom I am going to tell you, I heard myself one evening. Whether I would go back and see them again is not a matter for public concern and certainly not of urgent public importance at this time, but I think the principle still prevailed and that was a degree of censorship by the board in effect

on the activities of this particular entertainment group. In that context, I suppose that argument, as well as the argument I have just put forth on behalf of the Windsor Star and the people of Windsor, may be somewhat germane to this vote. I'm wondering if you might favour me with some kind of response.

[4:00]

**Hon. Mr. Handleman:** If I may, I would like to deal with the MacLeans matter first, because it's pretty well dealt with. Many years ago, prior to Bill 44 and Bill 45 being introduced, there was a power in the board to suspend licences in the event that the kinds of entertainment being presented were not acceptable. However, the new Act does not give the board that power; and if it doesn't give the board that power, they do not exercise it. In other words, anything that the board does is through power granted by the Legislature.

The new Act does not give the board the power to censor entertainment. It was with some misgivings, I must say, that I first proposed that that be taken out of the Act and, I think, that the Legislature approved it. Let me say that I don't think we should pass over why there is sometimes a good reason for that kind of power being granted. In many of the dining lounges, entertainment is presented which, while not censored, certainly would not be acceptable to some elements of society. Unlike our theatres branch, which we dealt with last week, there is no classification system. When you go into a particular establishment, in many cases you do not know the kind of entertainment that is going to be there. In particular, we have situations where parents are taking out daughters for a celebration. They've ordered the food, then on comes the entertainment, which they would not want their children to see or they themselves wouldn't want to see. By law they're required to pay for that.

We felt that possibly some sort of classification system should be considered, but we decided that was censorship and we shouldn't be in it as far as licensed premises are concerned. We have asked the Ontario Liquor Advisory Council under John Fisher to take a look at what can be done by government, but it is not there now and the board is not censoring entertainment. If the MacLeans are failing, in my view, it's because of a lack of talent. What I say in that regard is privileged here; I might not say it outside. But the reviews have agreed with me recently.



**Mr. Cunningham:** I won't hassle with you on the MacLean brothers.

**Hon. Mr. Handleman:** On the pinball machines, it seems to be a great sport to take off on the board; it's fair game, I suppose, since it deals with a matter everybody likes to talk about. The regulations—not the Act, the regulations—under which the Board operates do not include pinballs as the kinds of articles that can be in licensed premises. The new Act gives the Lieutenant Governor in Council the power to pass regulations. I'm aware of the problem. I'm inclined to agree, not with the tone of the editorial, but perhaps with the content of it, that pinball machines in themselves are not bad things. They do create noise, however.

I think there is some concern on the part of some licensees that if you permit pinball machines in licensed premises, does that then mean that you have to license pinball emporiums? The same thing applies to a number of other games, where the chief business is not to provide spirits or meals to the public but to provide that form of entertainment. Certainly we can put it in a regulation, and we would probably say: "You are limited to so many pinball machines, and in order to accommodate them you must take out so many seats," because there's only so much room in an establishment, most of it taken up by paying customers. The board, of course, would then be ridiculed for having measured the floor and saying: "You must take out three seats."

I think there have to be some rules that the board can go by, and the chief benefit of our present system is that the rules are there. They are in plain English. Everybody knows what they are. Prior to this, of course, what we had was a series of policies which could be interpreted. I don't think the board has the power of interpretation in this; if they feel that the regulation permitting pinballs in licensed premises is desirable, I'd be prepared to entertain it and bring it forward to cabinet. I may even be prepared to propose to the board that such a regulation be drafted, but I would also want to hear some of the concerns that they have about pinballs. Perhaps Mr. Rice can tell you of some of the concerns that have been expressed to him about pinball machines.

**Mr. Rice:** Mr. Minister, relative to the matter of pinball games, I didn't know it was a joyful experience; however, I'm willing to accept it as that. As you may or may not be aware, when the new Act and regulations were brought into force, pinball games were not permitted under the Criminal Code. As a

result, they were not a permitted game within the terms of section 32(1) of the regulations.

Going back to the previous comments about entertainment, yes, the decision-making power of the board was taken away insofar as forming opinions as to what is proper and what is not proper. That is the reason the new regulations were put into effect, so that we would have something specific that we could hang our hat on insofar as enforcing the regulations.

It's quite clear in the new regulations, and there is no idea in the minds of the board, that there is not a difference between an electro-game and a pinball game. I had occasion just two evenings ago to go into one of the emporiums and it was very clear to me what a pinball game is. However, it is not included in the list under the new regulations.

The board is carrying on communication with people representing the pinball industry and we are listening to their presentations. If, in the opinion of the ministry or the board, we feel there is nothing wrong, then it's very possible we may propose to you, Mr. Minister, consideration of an amendment. But it's nice to think that the press is looking after our well-being at all times.

**Mr. Cunningham:** Just two things that are germane to the responses. I hope we don't get into the business of licensing the pinball emporiums—say, the kind we have on Yonge St. Certainly there are activities that I have not participated in but heard about on Yonge St. that I would consider to be far more nefarious than pinball games and certainly much more offensive. The one thing that does come to my mind, though, is that if we're going to strictly enforce our law—and I think if it appears we're going to take a narrow interpretation, maybe an appropriate one—

**Hon. Mr. Handleman:** It's a literal interpretation, rather than a narrow one and, if I may interrupt, that was the whole purpose of regularizing the policies and writing them down, so that everybody would know what they are. I think if you know what the rules are and you don't like the rules, then you change the rules, and that's our responsibility. But I think you play by the rules as long as they are there.

**Mr. Cunningham:** No question about it. One thing that comes to my mind because I'm told of this and I see it—I see it especially here in Toronto; I tell you I'm not a resident of this city and I never have been, but I suppose my exposure here has been an education, the kind of education I didn't receive



where I was raised nor where I was educated—and I want to tell you that I am disturbed about the lack of enforcement that goes on in the licensed establishments that exist right here.

I think that if we're going to put the energy forth to enforce the legislation that exists as far as pinball machines are concerned, possibly we should be looking at what we're doing in the various licensed establishments throughout the city of Toronto and maybe other areas—serving people who are obviously not capable of even making change. This continues to happen. I don't want to give you specific examples but there are places in the city especially where that kind of thing occurs. Maybe that's a priority that we might address ourselves to.

On that particular issue I have nothing more to say, although I do have some further comments I'd like to make on this particular vote. I would give the floor to a member of the other opposition party if he wants.

**Hon. Mr. Handleman:** I would just like to say that we consider the enforcement of the laws and regulations governing the consumption of alcohol to be first priority and, of course, it takes a long time to change attitudes and practices. The new Act has been in effect just five months now. The inspectors are aware of the thrust of the government in this regard and it will take some time before they realize they will have our backing in rigidly enforcing the laws against overconsumption. Maybe Mr. Rice or Mr. Cooper can say what steps have been taken to ensure that the inspectors carry out that major function of theirs.

**Mr. Rice:** I believe that in the reporting process we do carry on communication at all times with the various inspectors and they issue monthly reports to our board. If they give an adverse report on two occasions then the licensee is brought in before the board for a discussion in order that we can maintain a person in business rather than putting him out of business. The result has been that where we find over-consumption on the part of patrons and it is brought to the attention of the board through our inspection staff, then the licensee is certainly brought in before the board. We do not condone either the service to minors or the over-consumption of alcoholic beverages.

Also, the matter of the liability of the licensee, where if a patron over-consumes and goes out and becomes involved in a motor vehicle accident then this puts a very heavy onus on the licensee to conduct the

premises in the proper manner. I can assure you that we are paying specific attention to the excessive consumption in licensed premises.

**Mr. Cunningham:** I think experience would have it, though, that that hasn't been in the past a sufficient deterrent to some establishments, which are intent only on commercial gain and selling and pumping out as much gallonage of beer as they possibly can, or liquor. I think on many occasions probably most of the people that are involved, especially in the hotel operations, aren't even aware of the fact that they are co-lia-ble in some of these problems. There hasn't been the legal history; certainly I think there's a precedent there, but it hasn't been the experience that it's widely known by the general public either.

**Hon. Mr. Handleman:** We're trying to get the message through and it's getting through slowly.

**Mr. Chairman:** Just on that last point Mr. Cunningham made, do you then receive from the police all reports of automobile accident cases, driving with ability impaired charges, liquor involved in various accidents, through the police officers so that you can check where they could have got this alcohol?

**Mr. Rice:** We get reports through the metropolitan police as to convictions within Metro Toronto, but we do not receive periodic reports from various parts of the province, unless we look it up through the motor vehicles branch.

**Mr. Chairman:** You don't do that? You don't check it through?

**Mr. Rice:** Not at the present time.

**Mr. Breough:** While we are on this part of your jurisdiction there are a couple of things that I'd like to raise. They sound a little frivolous, I recognize that right at the start, but I frankly don't think they are, because I've read a couple of studies that indicate that it may be a little more serious than we might first anticipate.

The issue I want to raise is the noise levels in certain licensed establishments. I always used to think it was a kind of a hoot, that rock bands are just loud and if you like loud music that's where you go, you drink in that establishment. I have lately read a couple of reports which indicate that the noise levels are such that there is actually ear damage, particularly for those people who would frequent those establishments



regularly, and especially for those people who work there. There is a problem of a rather substantial nature.

It strikes me, since your board is interested in such great details as washrooms and square footage and number of chairs and who can stand and who can walk, would that not also be an area where perhaps you might consider what's going on?

The problem I have really—it sounds a little frivolous and I recognize that, but I don't think it is—I think in a lot of establishments, they were built, sure, to provide entertainment. There are rock groups going in there with sound equipment, amplification equipment in particular, that's really designed for outdoor use, or for large rooms, and a lot of them are very small rooms. It strikes me that the people who frequent those things, who are patrons, have the option of going or not going, but the people who work there don't. If there is noise to such an extent that it could damage someone's hearing, is there not a bit of a responsibility on your part?

I want to raise a second one that is kind of related, and it sounds silly, I know. There was a rock group performing in Mr. Moffatt's riding which, as part of its show, used flash powder. They used it one night in front of a ventilation shaft and they had a fire. I first read that report in the paper and thought it was a bit funny, except on one occasion I recall having been in that room.

It's a very small room, it's very crowded and it's full of young people—which is another matter I want to raise later—and it struck me that it was very funny because nothing happened. It was a very small fire, but it sure wouldn't have been funny if there had been a fire that had not gone up the ventilation shaft. If it had caught on a curtain, or some clothing, or something like that, it wouldn't have been a very funny incident at all.

[4:15]

It would have been a very serious one because it happens to be one of those basement establishments which would be difficult to get out of. I wonder, since you regulate so much of someone's operation, are you even considering things like noise levels on a continuing basis, especially for people who work there? Certainly in an industrial site we would have things to say about that. Are you considering the kinds of materials which will be used—flash powder is an example—are you considering or do you even look at things like that?

**Hon. Mr. Handleman:** As far as noise levels are concerned in the place of employment, I suppose this would apply whether or not the place was licensed. Really, it wouldn't matter. Our jurisdiction extends to the licensed premises and those operations which are connected with the issuing of the licence. We were severely criticized when we attempted to censor entertainment. We used to say "Certain types of entertainment are not suitable to these premises," and that would include rock bands.

**Mr. Breaugh:** I don't want to get you off on that track.

**Hon. Mr. Handleman:** No, but we—

**Mr. Breaugh:** What I am saying is where there is a hearing problem, the decibel level gets too high—

**Hon. Mr. Handleman:** I would say that this is an employment standards problem rather than a licensee problem, because it applies anywhere where there is a high level of noise which is dangerous to those who are exposed to it.

**Mr. Breaugh:** Where would we take that?

**Hon. Mr. Handleman:** I suppose you could ask the Minister of Labour. The union might—these people are mostly unionized in licensed premises.

**Mr. Breaugh:** Some are.

**Hon. Mr. Handleman:** I would imagine they would want to take it up as a condition of employment. Certainly it's serious.

The other aspect, the question of fire safety, is very definitely in our minds because we recognize the risks of fire, even the increased risks, in licensed premises as distinct from unlicensed premises.

There's no question that after two or three drinks, people are impaired to some extent or another and their ability to protect themselves is limited. We are very conscious of our fire-safety responsibilities and we are sometimes criticized for being over-zealous in the exercise of those responsibilities. I don't know what the particular regulation would be with regard to the use of flash equipment in licensed premises but perhaps Mr. Rice can explain.

**Mr. Rice:** As a former entertainer I am not aware of that particular type of flash powder being used. It is the first time in some 20 years that I have heard—



**Mr. Chairman:** What do you mean a former entertainer?

**Mr. Rice:** I would still hope that I could entertain if necessary. However, this is the first time I have heard this comment about flash powder being used.

**Mr. Breaugh:** I don't really know what the substance is.

**Mr. Rice:** I would have to agree with you that it would be dangerous. I think the instance you speak of certainly is an outlying area that is not common in licensed establishments. The matter of decibel readings is one that doesn't come under our jurisdiction at the present time.

**Hon. Mr. Handleman:** I remember reading a very humorous article about one of our inspectors who insisted that candles not be placed on tables when they were using paper tablecloths in licensed premises. This is one of these fellows you could make jokes about—he was stopping everybody from enjoying their evening. But it was a very definite safety hazard—one knocked-over candle and there you go. I think we are quite conscious of the fire safety aspect and we take more criticism on that aspect of the operation, I think, than any other.

**Mr. Breaugh:** Okay. Could I pursue a couple of other points? I want to raise the issue and listen to your response about establishments, and I appreciate some of the difficulties you have. If you make some move on pinball machines, somebody writes the editorial about there goes the old Liquor Board again.

It does seem to me that a number of establishments are really making a pitch, if you like a marketing pitch, for a very youthful market and that is a very open and very blatant attempt to capture a market which is there. I'm getting fed up to the teeth, frankly, with letters from everybody about under-age drinking and this, that and the other thing while I continue to see establishments making that very definite pitch for that particular market.

Given your lack of hesitancy, I guess, to chase everything else, are you making any moves about establishments which very openly and very blatantly attempt to attract a very youthful crowd? Youthful is the borderline where incidents happen.

I have had some conversations with people who work in those places and they have explained their side of the story to me which

I find is a very rough one. They are meeting people at the door; sometimes they have been to another establishment or two. They are trying to sort them out. It's extremely difficult. I don't have a good answer for you on how to identify people or on an identification system which doesn't infringe on someone's rights. But it strikes me that when an establishment openly curries that kind of trade they have that responsibility, if you like, to enforce existing legislation.

I must say too, and I guess it's a bit biased, but I find it very difficult to accept everybody's comments about, "We're going to crack down on under-age drinking; we're going to raise the drinking age," when the existing legislation is being openly flouted.

I'd like to hear what comments you have as to how you're attempting to enforce existing legislation, and what your position might be on somebody who really goes after that market and then has some difficulty enforcing things afterwards.

**Hon. Mr. Handleman:** Of course, in this province it is legal to drink at the age of 18 as it is at the age of 81. If an establishment feels that it wants to have a youthful clientele, I don't think there would be anything that we could do about that because it's not illegal, absolutely not illegal.

Our responsibility would be to ensure that people under the legal drinking age are not served alcoholic beverages, and that really is our responsibility. The licensee, of course, shares this responsibility. The punishment is quite severe if we can get the necessary evidence.

We are working with the industry—because I think they have a particular stake in this—to develop, first a better system of identification. I share your concern about universal, mandatory ID cards, I've never really thought much of them.

On the other hand, there is no law that says a licensee must serve anybody who is 18 or over. Drinking is a privilege, and if there's any doubt in the licensee's mind at all, even if it was Mr. Cunningham going in, he would have a right to refuse service to him. He has no right to be served unless he has whatever identification may be prescribed, for example. So, nobody is entitled to be served and this is what we're trying to get across to the industry.

You can attract a youthful group if you provide rock music, and the kind of people who go there are in that age group; there's nothing illegal about it. But if you do serve



somebody under the age of 18 the punishment is severe.

Our problem, I suppose, is getting evidence, that is the major difficulty. We could have 50,000 inspectors, who would probably increase the number of convictions we would get and the number of suspensions we would be able to achieve. It depends, I suppose, on when do you use persuasion and when do you use force. We're trying to use persuasion; and the industry has agreed to co-operate. Of course the problem is, and I quite agree with this, that the people who have agreed to co-operate are probably co-operating now; and those who have not agreed to co-operate are going to continue to say, "Catch us."

**Mr. Breaugh:** I will tell you what I find particularly galling about this. In my community—and I would warrant in anybody's community—there are two or three pubs working to attract a youthful clientele. I took the trouble to go and visit those places. I normally wouldn't go into them, and neither would most adults. You walk in the door and the whole thing is geared toward the youthful market. The guy is making a bundle pushing the beer. You can see kids in there who are obviously under age.

Now, the whole community knows about that; everybody knows where the kids go to drink if they're under age. Everybody also knows that there are other places in town that won't serve them. It seems to be a matter of public knowledge. But here in the Legislature we're talking about raising the drinking age because of the under-age drinking problem, and yet we know where it happens. How come the two things are so far apart?

**Hon. Mr. Handleman:** Knowing and proving—as we have found out in trying to exercise regulations—are two different things. I'm sure our inspectors know as much about those establishments as you do. The question is: Can they prove it? Because the right of these people to appeal is built into the law.

**Mr. Rice** can tell you how far they've gone and how many cases they have tried to enforce. I read these things, and I'm often aghast at the acquittals. This is one of our problems. The law is strong enough, and I think our intention of enforcing the law is there. But our ability to enforce it, depending on our resources, may be not as great as it should be—but we do try. And then, of course, the law still has to prevail and the board has to make judgements on those cases. How many charges have you laid?

**Mr. Rice:** Mr. Minister, in answer to the question, let's take the age-of-majority cards as an example. In 1975 there were some 1,000 age-of-majority cards issued. The Liquor Control Board was responsible, at that time, for issuing them. In 1976, through a promotional effort by the Liquor Licence Board, in discussions with various organizations such as the hotel association, the restaurant people, citizens and municipal groups, the executive director has been active throughout the province promoting the use of the age-of-majority cards. As a result, to this date we have issued some 6,000 age-of-majority cards this year.

As a result of this promotion by the Liquor Licence Board, you are now reading, in various ads on the part of licensees for lounges throughout the province, "Age-of-majority cards only." This is the only form of identification they're accepting. We would hope that more of the people in the licensed areas would make use of this.

Contrary to what you may think or say, the number of under-age drinkers is not that great in the province today. However, we are taking strong exception to those licensees who are found guilty, either through our inspection branch or through the lawful authorities, of permitting minors in licensed premises.

I wouldn't want to say just how many suspensions we have had in 1976, but I can assure you we are taking a dim view of the licensee who serves a person under the age of 18.

**Mr. Breaugh:** Okay. Mr. Chairman, I just have one other area that I want to raise under this vote. For the life of me, I can't figure out how somebody who operates a restaurant gets that magic thing called a liquor licence. I want to quote two examples that are maybe a little different, and maybe the same thing. I won't use the names, because I've had it put to me, quite frankly, that if I raised their names in the Legislature they will be subject to inspection like you wouldn't believe. Let me just give you these two examples and you respond.

One was a fellow who has been in Canada for a number of years. He was not born here and maybe has some difficulty in understanding our culture, if not our language. He attempted to put in a small restaurant and get a licence. During the process of this, he came to me several times because he was visited by your inspector. It seemed that at one time the inspector wanted him to do this and the next time the inspector wanted him to do that. The next time it was something else. He came to me and said: "Am I supposed to pay this guy? Do I have to grease his palm?"



It struck me, well, maybe the guy was very honest, maybe he just saw needed things. But surely you have your list of things that he must have? Can't he walk in the first day and say, "You've got to do these things," and give him the whole list instead of a part of the list? The guy will understand that. I don't have any problem communicating with this fellow, and neither does anybody else in the community; but he went through this whole series of agonizing things—putting in one set of urinals here and another set over there, expanding this and doing that, putting up new exit signs. It was a terribly disjointed exercise.

This went on for a long period of time, three or four months, and it really struck me, why didn't the guy go in the first day, lay it out for him, give him the list and say, "You've got to do 19 things. When you have the 19 things done then we'll go through the hearing process"?

That part of it seems to bother me, if not because anything illegal is happening, or not because there is any graft or money changing hands, but at least from the point of view that the perception of the public, or that guy in particular—and I point out he runs a restaurant that is now licensed, and he has told this tale to countless people, so the public perception of the thing is that if the process isn't prone to graft, it's at least damned awkward and very difficult to explain.

The other one was another restaurant I dealt with which wanted a licence. They really got fed up with the whole thing. They went the caboodle. They went to the city council and got a couple of aldermen involved and finally came to me. They had done everything, because it was a new building and they had done everything they were supposed to do, but, somehow or other, they couldn't get a hearing set. They called in and were told, "We're not quite ready to hear that one yet."

Yet, when I called in the same afternoon, I made two phone calls. In the first one a young lady answered and she told me where I could go, rather politely; that she wasn't about to bend the rules for any MPP or anything like that.

**Mr. Cunningham:** Especially an NDP.

**Mr. Breaugh:** Especially an NDP guy, I'll bet that was in the back of her mind. The second time I called a man said, "Oh, yes, there's no problem. The hearing is scheduled," and he gave me a date. There is something screwy in the process here. I'm not saying

that you should run a perfect ministry first crack, especially this one, because it's a difficult endeavour, but I think the public perception of that process is rather bad. It might be better than it was before. I just cannot understand how this thing goes about; why there are such long delays; and why people can't be told first crack that they must do 25 things or whatever to qualify for the hearing; and you can't expedite that process. I really fail to understand the whole problem that's there and I think it's a very real one.

[4:30]

**Hon. Mr. Handleman:** The only occasion I would have is that there appears to be some reluctance on the part of your constituents to come out openly and tell us what the problem is. We have published a booklet saying how to get a liquor licence. It's in wide distribution. You can get as many copies as you may have applicants or even more, including people who might be thinking of getting a liquor licence. It's all spelled out. There is no problem about it.

We've enlarged the board. At one time the board only had three members. It has now been enlarged so that it can have hearings faster. This was a problem. It could only be in certain places at certain times and only the board could conduct the hearing. Nobody else could. The inspector does not grant a licence. It's the board that does it.

I would be concerned about the fact that the people may feel intimidated by the process or may feel there is something underhanded about it, that there would be any suggestion that they might have to pay an inspector in order to get a licence. The days are long gone—I used to hear this back before I became a member—that you had to have a certain lawyer in order to get a licence. I investigated this. I found out he had been a Liberal candidate and just had a good reputation as being a good lawyer, able to get licences. It had nothing to do with his politics—

**Mr. Cunningham:** I bet he never ran again.

**Hon. Mr. Handleman:** I believe he did. He even became a judge, and passed it on to his brother who now gets all the licences.

There is nothing wrong with that. The man has a reputation for being a good liquor licence lawyer. There were no politics involved as far as I can find out. I've looked into all these things and I'd like to hear if there is.



**Mr. Cunningham:** According to the record, that's redundancy.

**Hon. Mr. Handleman:** There are some people who know more about it than others, that's all. They know how to get licences. Certainly we tried to simplify it so that the layman can understand it. I don't know what language this man spoke. We even issued our draft regulations in Greek. We actually did issue them in Greek script so that people who are in the restaurant business in this province will be able to read them in their own language. I don't know how many of those were issued but we've tried to satisfy people who might have some difficulty. We didn't publish them in every language. It would have been cost-prohibitive.

So I think we're trying. It's not a perfect system, and I suppose where judgements have to be made there are going to be differences in interpretation. Perhaps Mr. Rice would like to follow up on what I've said.

**Mr. Rice:** It might be of interest to point out that in order to facilitate the issuance of licences we now have members among the inspection staff who are multi-lingual, who speak five to six languages. In view of the many people coming into the industry, we are endeavouring to make it as simple as possible for a person to get a licence within the Act and regulations.

We're holding meetings, at which we cover the province every two months now. As an example, we're going to Thunder Bay to hear two applications in June. We're endeavouring to provide every method of service in order to make it possible for people who wish to do so to get into the business.

I don't just know the instances of which you speak, when you contacted the office. Some of the comments you made, it appeared to me, may have been under the previous Act, and at some previous time. I would hope if anyone calls our office today, he certainly would not be subjected to any of the comments you speak of, and I can assure you he won't be. We are doing everything possible. As the minister has mentioned, these brochures are now available. Any member of the House can have them made available to him for his constituents; we would be glad to provide any of you with them.

**Mr. Breaugh:** One final question, why do you hold public hearings to license establishments in Oshawa in Peterborough?

**Hon. Mr. Handleman:** You'll have to ask the chairman.

**Mr. Rice:** The hearings are held on a basis that we feel are fair and within a reasonable distance from the area of the application. There is no end to which you could go in going in to hold public meetings in every small municipality. We have had no criticism from the various areas insofar as the method by which the hearings have been held. It is given for the purpose of making it possible for the public to object if they so wish. We actually haven't had too much criticism from any part of the province, especially in view of the fact we are now holding hearings every two months.

**Mr. Breaugh:** That's the whole point. If it is a public hearing and it's about an establishment in Oshawa, do you really seriously expect the public to travel to Peterborough to attend the hearing? I don't think that's very realistic.

**Mr. Rice:** I can assure you people will travel quite a distance today if they wish to object. It would appear to me they are most satisfied with the process now being carried on. We are getting very few objections at the present time.

**Mr. Breaugh:** That's probably why.

**Mr. Chairman:** The speakers are as follows: Eric Cunningham; Doug Moffatt and Bud Gregory. Eric.

**Mr. Cunningham:** Thank you, Mr. Chairman. While we are talking about the possible illusion of some form of influence as it would relate to the administration here, I am wondering if I can get an explanation of the process whereby you decide the location of LCBO stores?

**Hon. Mr. Handleman:** I would have to say that the LCBO is not in the estimates. It's a completely separate corporation which is not accountable.

**Mr. Cunningham:** It is not accountable?

**Hon. Mr. Handleman:** Not to the estimates committee.

**Mr. Cunningham:** I think there is some truth in what you said there.

**Hon. Mr. Handleman:** It is accountable to the Legislature. If you have any questions about the LCBO, about the operations, if you want to direct them to me I can try to get you the answers but it is not in the estimates.

**Mr. Cunningham:** I have heard some things that disturb me.



**Mr. Handleman:** I would appreciate hearing from you.

**Mr. Chairman:** Where is it now? I think it is in the Attorney General—

**Hon. Mr. Handleman:** No, the LCBO still comes under the jurisdiction—not the jurisdiction—it reports to the Legislature through me so if there are any questions to be asked, I would be glad to try to obtain answers for you. I can't answer them, though.

**Mr. Cunningham:** Mr. Chairman, very briefly, there are several other things I would like to raise at this time. Recently we had Toronto's first wine bar opened. When the owner was being interviewed by the press he stated that many people have wanted to open wine bars but due to Ontario's strange liquor laws—these are his words—they are forced to sell food as well. I know there's a logical reason but why is it that you can operate a bar serving liquor or a pub serving beer but not a wine bar without also serving food?

**Hon. Mr. Handleman:** There are a number of different classifications of licences. You cannot operate a bar serving liquor unless it is in conjunction with a dining establishment. Bars are not allowed in Ontario. You will never see a neon sign saying "Bar." There are bars in dining establishments but there are no bars serving liquor.

**Mr. Cunningham:** I hate to defame anything or put it in jeopardy—I suppose I reject this kind of pervasive big brother attitude over-looking one; I don't know if that really exists or not—but there is a place near here which some of us have visited occasionally. It is just a block over. It used to be an art studio, I think, and I admire the art in there, I want to tell you. As I recall, that's not the case as far as that place is concerned.

**Hon. Mr. Handleman:** There are no licences issued to bars. We have had many people say, "We go to the States and we can walk in off the street on 3rd Avenue and there it is—bar, bar, bar, bar—and you can go bar-hopping." Bars aren't permitted.

**Mr. Cunningham:** I don't know if it's semantics here or if I am not articulating myself appropriately. For want of another word I will call it something other than a bar—a place where you can get liquor.

**Hon. Mr. Handleman:** You don't have to eat.

**Mr. Cunningham:** You certainly don't.

**Hon. Mr. Handleman:** No, but there's a dining establishment—

**Mr. Cunningham:** They like you to drink while you are there. I know that.

**Hon. Mr. Handleman:** But there is a dining establishment of some kind.

**Mr. Renwick:** Don't jeopardize the exception to the rule.

**Mr. Cunningham:** I certainly won't because the art in that place is tremendous.

**Hon. Mr. Handleman:** Again, let the chairman outline the classifications of licences. I don't know about the wine bar.

**Mr. Rice:** As you may or may not know, one year previously lounge licences were issued in conjunction with dining establishments but as separate lounge licences. This no longer exists and no one is eligible for a lounge licence other than aircraft, canteens, hotels, recreational facilities and theatres. The operation of which you speak may have been one of those which, at some point in time, was issued a liquor-only licence. Under the dining lounge concept today and that type of licence, as you may or may not know, they are required to provide at least 50 per cent of their revenue in food dollars as opposed to liquor dollars.

**Mr. Cunningham:** Thank you for that explanation. One final thing before I conclude my comments. Recently, I am told that you and several of your assistants have taken a few trips—very modestly, I would say to you, during these times of restraint—to places involved in the sale of beer or alcohol at sports stadiums. I am wondering what kind of progress is being made in Toronto, noting that we are going to have an American League baseball franchise next year. What will the policy of your ministry be in that regard?

**Hon. Mr. Handleman:** At present, I don't want to anticipate what the policy will be. What happened, of course, was that we had received a number of inquiries over the years about the possibility of serving alcoholic beverages in sports centres such as Maple Leaf Gardens in Toronto, Civic Centre in Ottawa, Ivor Wynne Stadium in Hamilton and so on. There was no specific application before us but, in view of the new Act and the regulations, we felt that we should find out what other jurisdictions were doing and how they operated.

We did a fair amount of research in which we compiled the experience of other jurisdictions. There seemed to be a fair amount of contradiction, with some people saying what a great thing it was and other people saying no. I went with my administrative assistant,



Mr. Cooper, on one trip—I suppose you could call it a trip—to Winnipeg, where we went to the Winnipeg Arena. They have one system of selling beer in that they sell only low-alcohol beer. It is very well supervised. I don't think it is designed to encourage the sale of beer; it is limited to the amount you can buy. I thought it worked fairly well.

Then I used the CN pass that all members have and went to Montreal by train one afternoon to a game in the Montreal Forum. I wasn't impressed by their system, which is a bar system selling all kinds of beverages, including liquor. It was open considerably after the game, whereas in Winnipeg they cut off the sale at the end of the second period.

There were a number of things done in Winnipeg which I thought might be acceptable in Ontario. I must say I was somewhat impressed by the way they did it there. Also, because of the value of the licence to the arena, the arena policed it very strictly; there was absolutely no indication whatsoever that there was going to be any abuse of it. The only thing I didn't like in Winnipeg was that the beer was too cheap in comparison to soft drinks. Other than that, I don't think I had any other criticism of their system.

Then, of course, because of the publicity that our survey got, we received a great deal of reaction against bringing alcoholic beverages into areas where young people congregated. I think that kind of evidence persuaded me that, at least at the moment, Ontario was not ready for this kind of thing.

The question of the baseball team hasn't arisen. The owners of the team or the stadium haven't approached us. All I can say is that when and if they do, which I think they will, we'll have to review our position at that time. It would be a government decision.

I must say that I was impressed with some aspects of the Manitoba type of operation, including the fact that you could take the beer into the stadium. People may have thought, that's a very liberal type attitude, but what happens, of course, is that you don't gulp it down between periods as you do in Montreal, because you don't want to miss any of the game. In Montreal, I saw one man down eight beers and two shots of whisky between periods because he didn't want to miss any of the game, and he couldn't take it back with him.

**Mr. Moffatt:** He missed it all.

**Hon. Mr. Handleman:** Whereas in Winnipeg, leisurely, you had this low-alcohol beer—3.9 beer—which is all they sell. They have a

number of safeguards in Winnipeg that I thought were quite good.

**Mr. Renwick:** Including paper cups.

**Hon. Mr. Handleman:** Yes, and in Montreal they use plastic cups, which could be sharp if they were broken.

**Mr. Kennedy:** At the Expos games, you can take a cup of beer in and watch the game.

**Hon. Mr. Handleman:** Yes, but in the Forum you can't. They have different rules.

**Mr. Moffatt:** Mr. Chairman, I don't want to go on too long. You said at the beginning that we're going to consider both items 1 and 2 at the same time. I have a couple of questions about the Liquor Licence Appeal Tribunal. I've gone through the book, but I can't really find very much information about it. I know it has a staff. I know it has a chairman. I know it has \$385,000 set aside for its operation. I wonder if we could find just how much of that budget is the chairman's salary? Have they done anything since the beginning of the year? How many support staff does it have and what sort of activities have they been involved in up until this time?

[4:45]

**Hon. Mr. Handleman:** The tribunal was established on April 2, 1976, which is just two months ago. The budget is for a full fiscal year. The chairman's salary is \$38,000. There are two other members of the tribunal at the present time. The chairman is the only full-time member of the board. The present staff consists of a secretary to the chairman. We are using one of our legal counsel as acting registrar, because at the moment the number of appeals does not seem to indicate the use of a full registrar and staff. We expect to be appointing a registrar shortly, but we are taking a fair amount of time to find the proper person. The registrar obviously will have a secretary, who will also double as a receptionist. The total secretarial staff, the chairman's secretary and the secretary-receptionist, will also act for the part-time members of the board who will be coming in for hearings from time to time. They are on a per diem basis. We have asked for two more part-time members. The law at the present time is that a quorum for a hearing on appeal is three, and since there are only three members we feel that it would be very dangerous if an appeal were to be held and a lot of people come and only two of the members can appear, for one reason or another, so we are asking for two more members.



**Mr. Moffatt:** Excuse me, sir. What are your criteria for choosing the existing two members and the future two members? I might also ask what were the criteria for choosing the chairman?

**Hon. Mr. Handleman:** These are what are called senior appointments and the Premier (Mr. Davis) has the prerogative of appointing a number of people on boards and tribunals. My understanding is there is a committee in the cabinet office that engages in what they call a senior appointment search and they develop the list of people—

**Mr. Moffatt:** Lorne Henderson's cabinet?

**Hon. Mr. Handleman:** No, it is not Lorne Henderson's cabinet. They do develop a list and these people are generally—

**Mr. Moffatt:** Well, there's some criteria, or is the list just handed to you and it says these are the people you hire.

**Hon. Mr. Handleman:** Oh no; no. I don't make the appointment. The appointments are recommended by the Premier to the Lieutenant Governor in Council.

**Mr. Moffatt:** And you have no input into that?

**Hon. Mr. Handleman:** I am generally told probably two or three days before the—

**Mr. Moffatt:** Told? You don't suggest suitable people?

**Hon. Mr. Handleman:** I think I am in the same position as most other people. I may suggest people who I think are suitable for appointments to a variety of boards and commissions. It is the senior appointments group that screens all these people and decides what their skills fit them for.

**Mr. Cunningham:** Who are the other two part-time members?

**Hon. Mr. Handleman:** The chairman is John Yaremko. One of the two other members is Mr. Jack Sim, who is the former president of the Canadian Restaurant Association, now retired from the restaurant business. He operated a restaurant that I know very well in Ottawa called the Champlain, which is right in an island in the Ottawa River, as well as a number of others. He is very widely respected in the restaurant business. The other is Mr. John W. Erickson, who is a lawyer. I have his background here. He comes from Thunder Bay, attended Queen's at Kingston. He is on the YWCA, Thunder Bay, St. Paul's United Church and

so on, Civil Liberties Association of Canada and so on. Jack Sim was born in Canton, China.

**Mr. Moffatt:** And you are actively searching for two more people?

**Hon. Mr. Handleman:** I am not searching. I have asked for two more appointments of the Premier. Presumably the Premier and his committee will be searching for two more people.

**Mr. Moffatt:** What would be the per diem for those?

**Hon. Mr. Handleman:** These are \$85 a day, as I understand it.

**Mr. Moffatt:** You are to be commended on the way you—

**Hon. Mr. Handleman:** So whether or not the whole budget is spent for the tribunal will depend on the number of appeals. I think that was a guess. We have no idea.

**Mr. Moffatt:** Have you had any appeals to date?

**Hon. Mr. Handleman:** Oh, yes. The first hearing was held on May 11 from a refusal by the board to issue a licence. The hearing has been completed and decision reserved. We haven't got a decision on that one yet.

**Mr. Moffatt:** You have had one?

**Hon. Mr. Handleman:** One hearing, yes.

**Mr. Kennedy:** Does this board deal with both applications that are refused and those that are granted?

**Hon. Mr. Handleman:** Oh yes, any decisions of the board which by law are appealable, which include applications which are granted too. Some persons can appeal against those.

**Mr. Gregory:** Mr. Chairman, being late I might well have missed the question I am going to ask. I wanted to inquire about the special occasion permits. Has this been discussed?

**Hon. Mr. Handleman:** No, not at length.

**Mr. Gregory:** I wonder if you could tell me the criteria for raising the price of special occasion permits from \$15 to as much as \$50. I'll tell you the reason for my concern. In many cases, small non-profit groups want to hold meetings and wish to have liquor which is for sale, not with the idea of making a profit but just to make ends meet. As



well as the rental on any hall they might have, there is the additional cost of the special occasion permit, up to \$50 if they are selling the liquor. I understand also there is a per bottle charge when you buy it. All in all, you could well be into a couple of hundred dollars before you even start, before anybody has a drink. If that's just a side issue, if that's not the main purpose, to go and have a party and drink, it does present somewhat of a hardship to small groups. Can you fill me in on what the criteria were?

**Hon. Mr. Handleman:** First of all, the permit fees had never been rationalized or reviewed. I guess we were going on pretty close to 20 years since they were last looked at. With the new Act and regulations coming in, it was decided we should take a look at first the cost of servicing special occasions and then try to establish some sort of logical criteria for a permit scale.

Our first requirement was to cover the cost of issuing the permit and the inspection services which are necessary for special occasions where liquor is being sold. A \$15 licence was the previous fee. It was decided we would continue to issue that for the smallest of occasions. In other words, there is no change in small occasions. It is scaled upward, as you say, to a maximum of \$50, which from the criteria that were developed will really handle a fairly large party. We're talking in terms of a large quantity of alcohol being consumed.

There is a scale of fees based on the amount of alcohol. We assume that the higher the amount of alcohol, the more money they can raise and therefore are better able to afford the higher fee. We hope the average fees will cover the costs of both issuing the permit and inspecting the function because that is necessary. We've had a lot of complaints about it, but I still feel that the fees are reasonable for the selling of liquor without having to go through all of the expenses of a commercial establishment for establishing the kind of things that a restaurant must do, in addition to paying municipal taxes and all the other things that commercial people have to do. Once the system has become fully operational, I expect that other than the kind of thing we've run into on occasion where there is a nine-day event and the person must take out a \$50 permit every day or something of that nature, for most special occasions it's a fair system.

Our concern has always been that special occasion permits have been abused. People are taking out five a week. Five-a-week special occasions are no longer special occasions. Last year we issued over 170,000 spe-

cial occasion permits. We've asked the liquor advisory council under John Fisher to look at a possible new system with far more rigid restrictions than we now have on the issuing of special occasion permits because there are people who under a different name every night get a special occasion permit. In fact, what they are doing is running a licensed establishment without having to have all of the overhead of a licensed establishment.

You talk about the charge per bottle. In a licensed establishment you are charged sales tax on each drink you buy. It is shown on your bill as a sales tax. The charge per bottle in lieu of sales tax is \$1. I think if you multiply the number of drinks in the bottle by the amount of sales tax you'll find the \$1 is a bargain. If they were charged by the drink, as a retail establishment is, the amount of tax collected would be considerably in excess of \$1.

I'm sure the board has had ample experience with the new scale to report on the hardships that it may have caused—and I have heard about them from a variety of sources—and also whether or not it's starting to meet that original objective which was to cover the cost.

**Mr. Rice:** We've had very few adverse comments as to the increase in the cost of special occasion permits. As the minister has suggested there are people in this province operating somewhat commercial establishments under the guise of special occasion permits by changing the names of the applicants or the organizations on a daily basis. The special occasion permit facility is being abused throughout the province and I would hope that something can be done to resolve the problem the board is having with the issuance of special occasion permits.

Of interest to you would be the fact that we are issuing special occasion permits on the basis of anything from 585 a day up to roughly 1,000 a day. We did issue 170,000. We are seeing a slight reduction in the number of permits being issued now with a great increase in revenue naturally. While the issuance did dip with the initial concept of increased cost, we are now back in the same routine of issuing what appears to be very little decrease in the number of special occasion permits.

**Hon. Mr. Handleman:** If I can share a problem with you, maybe we can get some suggestions from members. I'd like to share with you the problems we went through when we tried, during the research that went into the new Act and regulations, to find some method of limiting special occasion permits on a reasonable basis.



We started off by saying: "Surely, you can't have more than one special occasion per month?" Then we heard about the organization which has a weekly dinner party at which their members buy liquor. It's paying off the mortgage on their little meeting place. We said: "Surely, 52 a year ought to do?" But then you get the visiting major domo of the organization who comes at another time and that makes 53.

When we got to that we threw up our hands and said: "There's no way we should be trying here to set guidelines for limiting the number of special occasions, despite the fact that we recognize there should be some limitations on it." I would appreciate any thoughts we can get from anyone including members.

**Mr. Gregory:** I really fail to see why, because certain people are abusing these permits, this should rub off on the smaller user who has a legitimate special occasion. I think you would agree that most publicly-owned halls would not be a part of the abuse of these permits by having booze-up nights every night of the week under the same name.

**Hon. Mr. Handleman:** It's not the hall we're concerned about. It's the people holding the special occasion.

**Mr. Gregory:** Right.

**Hon. Mr. Handleman:** If a hall is operating a bar for the sale of liquor, it's a commercial establishment even though it is publicly owned.

**Mr. Gregory:** This isn't what I'm saying. What I'm referring to is publicly-owned community centres, for example. I have one in my area; it is the Burnhamthorpe Community Centre. You say \$50 is for covering the cost of inspections. How many times would they have to inspect the same hall? Every time there is a special occasion permit for that hall? The hall hasn't changed. It is the same bar. It is the same floor.

**Hon. Mr. Handleman:** Surely it's a different organization running the special occasion. Is the community centre running a special occasion that often?

**Mr. Gregory:** No. I'm saying that people, a group, can rent that hall.

**Hon. Mr. Handleman:** Yes.

**Mr. Gregory:** And apply for a special occasion permit. This particular hall I'm referring to has functions every night of the week but does not necessarily have liquor at all of

them. I'm wondering why there would be the cost of inspecting that particular hall if the ABC charity organization was using it one night and selling liquor and the XYZ charity group was in the next night in the same hall. Do you have to inspect the hall again?

**Hon. Mr. Handleman:** No, it's not the hall, it's the function. You are getting different people at different functions and some of them operate them much better than others. It's not the hall that operates this.

**Mr. Gregory:** They don't come and inspect while the function is going on?

**Hon. Mr. Handleman:** Yes, they do. This is why some people who have obtained a special occasion permit find it more difficult to obtain one the next time—there are complaints from either the inspector or the police that there was abuse, drunkenness, misbehaviour, vandalism or all kinds of things.

It's the organization and the function being inspected not necessarily the building itself. As I recall, we've established a procedure now whereby, provided the building is approved by the municipal fire department or the police department or the municipal council, we're not concerned about the building standards. We are concerned about the behaviour of the people at the function.

**Mr. Gregory:** Couldn't we assume that in many community centres such as I'm speaking of, where there is supervision continuously night and day, possibly some of the supervision or some of the inspection could be done away with, thereby reducing costs?

[5:00]

**Hon. Mr. Handleman:** I will let Mr. Rice and Mr. Cooper comment on that; how frequently they want to do that. We're talking about an average, don't forget. It's quite true that some people are paying for other people's inspections, but I think if we were to start setting up a wide scale of fees and say, "Well, you've been good boys, we're only going to charge you \$10 this time," we'd be in trouble. We have to set up a schedule, and when you're issuing that many licences a year it's impossible to look into the circumstances of each one individually beforehand.

**Mr. Gregory:** That's what I'm suggesting. In municipally-owned community centres or halls where there is supervisory staff, it would seem to me that an entirely different viewpoint could be taken than on other halls, where they're privately owned and rented by somebody for the night.



**Mr. Rice:** I think, Mr. Minister, in answer to the question, where we have a large volume of sales taking place, which comes under the \$50 permit, then our inspectors communicate with the organization and assist them in order to see there aren't contraventions within the hall itself on these special occasions. However, the hours spent by our inspection staff in assisting people really isn't recovered on the basis of a \$50 permit. I might say that in 1976 I've only had one written objection to the increased cost of special occasion permits, so it would appear that it's being accepted by the many people throughout the province who are using them.

**Mr. Gregory:** Perhaps the fact is many people just don't take the trouble to write you. I think sometimes we, as representatives, do get the complaints that don't come to you.

**Mr. Rice:** I think we're finding that the profit return on the \$50 permit is quite sufficient for the organization selling over 50 bottles of spirits and 600 bottles of beer, where it's in excess of 600 people.

**Hon. Mr. Handleman:** Do you realize that's more than 1,000 drinks? That's not a small function.

**Mr. Gregory:** I recognize that, but I'm saying they do pay, the people who buy this liquor for consumption, and they're selling it at, let's say on a cost basis. They're paying a fair amount of tax before they even buy it—or as they buy it they're paying a fair amount of tax on it.

**Hon. Mr. Handleman:** I don't want to debate this much longer, but if that hall is open every night of the week, he's in pretty serious competition with the commercial establishment down the street. If they're selling at cost they're undercutting the commercial establishment, which is paying municipal taxes to pay for that community hall. It seems to me that they should recover at least enough to pay the permit fee, to pay their rent, and if they're a fund-raising organization to have something left over; but not to make it a commercial operation where they finance all their activities out of the sale of booze. I just happen to feel it's wrong. I've been approached by little league teams who say it's disgraceful that we have to pay \$50, and I say it's disgraceful to finance little league by the sale of booze.

**Mr. Gregory:** I'm not talking of groups who are financing by the sale of booze.

**Hon. Mr. Handleman:** I know, yes.

**Mr. Gregory:** Another point on these permits, it's come to my attention that not too many people who are in charge of buildings are aware that there has been a change in regulations regarding food. I certainly wasn't aware of it. I was always under the impression you had to have food at any occasion when there was going to be liquor sold.

**Hon. Mr. Handleman:** Not necessarily a special occasion. There's no change in special occasions. We're talking here about permanent commercial licence. There's a lounge licence which requires that there be food.

**Mr. Gregory:** What I'm saying is, I think now if you have a special occasion permit you don't necessarily have to serve food unless it's on Sunday.

**Hon. Mr. Handleman:** You never did.

**Mr. Gregory:** Never did? Some of the inspection staff are informing people that you do.

**Hon. Mr. Handleman:** I may be giving wrong information. Mr. Rice?

**Mr. Rice:** As you probably know, we have a variety of special occasion permits, such as fund raising and social organizations, and it would be difficult to comment on a specific instance of which you speak. We do have it laid down in black and white and I'm sure the full inspection staff is well aware of the regulations.

**Mr. Gregory:** Thank you.

**Mr. Chairman:** In other words, some require food and some don't?

**Mr. Rice:** Under certain conditions, yes, under certain types of special occasion permits food is not required. The only time food must be served, if liquor is served on a Sunday it must be a sit-down meal.

**Mr. Gregory:** Could I ask, just for clarification, if I arrange to have a meeting in a hall and get a special occasion permit for a Wednesday night, and we're going to have a meeting, then we're going to have a few drinks and the drinks are going to be purchased by the people who are there on a cost basis, do I require food?

**Hon. Mr. Handleman:** Mr. Rice can answer this.

**Mr. Moffatt:** A very clear maybe.

**Mr. Gregory:** Well, I might need the food but—



**Mr. Rice:** Yes, to answer the specific question you are asking, it says, "except where there is an adequate supply of food to serve the patrons attending." This doesn't say they must consume it, but it must be available.

**Mr. Moffatt:** Rubber sandwiches.

**Mr. Gregory:** On a weekday?

**Mr. Rice:** Yes.

**Mr. Gregory:** I wonder, could that be checked out and could you give me an answer a little later?

**Mr. Rice:** Yes, we'll check it out.

**Mr. Gregory:** There is some confusion on that one.

**Mr. Rice:** Are you suggesting that the inspection staff is saying they must have a sit-down meal?

**Mr. Gregory:** Yes.

**Mr. Rice:** During the week?

**Mr. Gregory:** Yes.

Not only that, but the other opinion I get is that there is no food whatsoever required.

**Mr. Rice:** We'll check it out, but there must be a misinterpretation in someone's mind. We'll check it out.

Vote 1307 agreed to.

On vote 1308:

**Mr. Chairman:** How do you want to handle it? Do you want to take it all together or do you want to break it up into three parts? I think it should be taken altogether.

**Ms. Sandeman:** I wanted to ask about a particular application of the rent review procedure. I know my colleagues have some general statements they would like to make, but I think the problem that I have come across today speaks to the principles of rent review.

I'd like first to refer to the Act, section 7, subsection 3(a): "After hearing the application the rent review officer may approve the amount of the increase sought by the landlord if he is satisfied that increased operating costs and capital expenses justify the amount of the rent increase." I take that clause in some sense to be the heart of the whole rent review procedure, a very important clause and one on which a great deal depends.

The second problem, and one that we dealt with recently during the amendments to the Act, was the question of whether or not we should retain the private limited-dividend

buildings under rent review. Both the opposition parties, and finally the government, agreed that for various reasons that would be a good thing to do.

I'd like to ask, Mr. Minister, what you make of a situation that we now have in Peterborough in which the rent review officer brought down the decision on three separate private limited-dividend buildings? One of them I have no argument with; the rent review officer's decision came in at 89 cents below what the landlord asked. While I feel that's going to be a burden on the tenants, that's not a matter to which the rent review Act specifically addresses itself.

But there are two other buildings in which the rent review officer's decision was to allow exactly the amounts the landlord asked, which I take to be quite acceptable. But then he went beyond that and said: "Over and above the amount which was asked for on the form 5 by the landlord, I am going to allow another amount which the landlord may apply to CMHC to have the rent increased by."

I take that to be an illegal application of the Act. There's nothing in the Act that says the rent review officer can allow more than the landlord has proven that he needs. I fail to see why that kind of decision can be given, in all good conscience, by a rent review officer. It seems to me he is overstepping the bounds which the legislation allows him.

I think tenants are going to hesitate to ask for reviews if that kind of decision is going to be brought down. I think all tenants know that the landlord is going to do his best to prove—and he has the right to—that the amount he is asking for is justified. But when the rent review officer goes one stage further and says: "Yes, that amount is justified, but I am also going to allow you to apply to another body for an extra \$20"; then I begin to wonder why we spent all that time producing the legislation and keeping private limited-dividend buildings under the rent review procedure?

**Hon. Mr. Handleman:** I have absolutely no information on the circumstances of the appeal or the decision that you refer to. If Mr. Robbins knows about it, perhaps he could comment. If we have the rent review officer's decision, Mr. Robbins can comment on it.

**Mr. Robbins:** Ms. Sandeman, generally what you say is true, that the amount sought is the upper limit. We have issued an information bulletin—bulletin I-2—that instructs the rent review officer accordingly. There is section 55(b) of the Act, which I might also draw to your attention. It deals with an application



instigated by a tenant and it says in that section that he may, in such applications, apply for a greater increase than that set forth in the original notice of increase to the tenant. This may be a 55(b) application, I am not sure; I would have to look into the specific circumstances.

**Ms. Sandeman:** No, this is a straightforward application.

**Mr. Robbins:** By the landlord?

**Ms. Sandeman:** By the landlord for an increase from \$187 for a two-bedroom apartment to a \$216 figure. I was at the hearing. The landlord presented his argument as to why he needed the \$216 figure. The rent review officer asked for further information and received it. The tenants were represented. The landlord was represented. It was a lengthy hearing. They came back with a decision that allowed the increase to \$216; and also that there may be a further increase to \$230 after application to CMHC.

**Mr. Robbins:** Is that a very recent decision, Ms. Sandeman?

**Ms. Sandeman:** Yes, and we have been in touch with the regional supervisor, Mr. Jack Thomson, who I believe may be here.

**Mr. Robbins:** Yes, he is.

**Ms. Sandeman:** He says that this is legitimate; but it's my understanding that if the landlord stipulates the amount he needs then the rent review officer has no jurisdiction to say to him: "Well, you may need a little more than that." It's the landlord's business to figure out how much he needs.

**Mr. Robbins:** It's interesting to try to think why a rent review officer may grant a landlord more than he is actually seeking in a hearing.

**Ms. Sandeman:** It certainly is.

**Mr. Robbins:** I think that's what you are saying. However, we cannot interfere in an order once it has been issued, as I think you are aware. If it is a recent decision, though, I think it should be appealed to the appeals board, which could correct the situation. That appeal has to be made within 15 days of the date of the order, so it would have to be a very recent decision if that avenue was to be open.

**Ms. Sandeman:** It was the beginning of this week. Could I have some guidance from you, while I have you here? Would your advice to me be to appeal on the legality of the rent review officer's action?

**Mr. Robbins:** On the basis of what you have told me, yes.

**Hon. Mr. Handleman:** You can appeal on any ground. You can appeal on the question of fact or law to the Rent Review Board. It doesn't have to be on a question of legality.

**Ms. Sandeman:** Yes, but in this particular case would that be grounds?

**Hon. Mr. Handleman:** Certainly.

[5:15]

**Ms. Sandeman:** Could you just enlarge on that a little? Has it ever been the intention of the rent review legislation, in your understanding, that we should give a rent review officer carte blanche to suggest to a landlord what he might ask for?

**Hon. Mr. Handleman:** No; but we have something like 101 rent review officers who have been on the job for varying periods of time. They have had varying periods of training and various kinds of backgrounds. If you don't think there is going to be human error in the question of the rent review process then I think you are expecting too much. There are bound to be mistakes, there have been mistakes, and there will continue to be mistakes. We have never claimed perfection for any one of them. No one, not even the best of the 101, is perfect.

There are going to be some problems. That is one of the reasons the appeal process is there. The appeal board can take a more leisurely look at it because they don't have the same work load, and hopefully their decisions, which are final and conclusive, will come as close to perfection as you can be in any sector of public administration.

**Mr. Robbins:** Ms. Sandeman, Mr. Thomson just gave me a note which states that in this case it appears the rent review officer said a higher rent was justified on the basis of a cost pass-through calculation, but that the award he gave was subject to the lease amount and that lease amount was lower than the amount sought, or equal to the amount sought. In that case, his order would not have exceeded the amount sought, although he was giving an indication that there was more than that justified on the basis of passing through cost increases.

**Ms. Sandeman:** Could I just follow up on that? If the landlord should choose to go to CMHC and say: "The rent review officer says I need another \$16," will he get it?



**Hon. Mr. Handleman:** No; if the rent review officer issued an order, that order is final; it's in effect for 12 months.

**Ms. Sandeman:** It's unclear to me which of the two figures mentioned is the final figure.

**Hon. Mr. Handleman:** I think we should get clear as to what the rent review officer's finding was, not what somebody thinks he said but what he did in fact say. I understand from Mr. Robbins that he said: "If you had asked for more, I might have been able to give it to you, or I might have been able to authorize it if you can get it out of CMHC. But even though your cost pass-through analysis indicates that you're entitled to more, this is all you're going to get because that's the amount of the lease." That's my understanding of what the rent review officer's decision is. That's for 12 months unless the appeal board were to overturn it.

**Ms. Sandeman:** The understanding of the lawyer who was representing the tenant seems to be that the landlord has been given carte blanche to go ahead and ask for that extra money.

**Hon. Mr. Handleman:** I can't speak for the understanding of the lawyer who was there. The only thing we have here are written notes to Mr. Robbins from a person who didn't make that decision. I think we'd better take a look at the decision to determine whether or not it should be appealed. I'd rather go on that basis than on hearsay or some person's interpretation of what went on. We hear all too much of that in this whole process, somebody making a judgement because of what he heard from somebody or what he saw happen in an isolated instance. I think we should take a look at the actual decision of the officer.

**Mr. Chairman:** The next speakers are Marvin Shore and Doug Moffatt.

**Mr. Shore:** Without going into a whole dissertation on the history of this piece of legislation and repeating substantially what many people have said before, and probably being prepared to add to it, I'd like to get down to today so to speak.

The minister has observed that this is a new piece of legislation and that there are 100 or so rent review officers and there are bound to be mistakes, problems, errors and so on. I quite agree that that's a possibility. The thing I want to get straightened up here is not only the fact that there may be

these errors but to try to get from the minister what he is doing to correct them after they've been made. I'll give credit and be liberal, so to speak, in allowing them to be made, but I want to know what he is doing once he recognizes that they are being made. Probably more important than that is to get an understanding and sort of a little history of the background of this, and see how the minister perceives it.

I understand that when this rent review, as opposed to rent control, was going through, one of the major reasons that it became rent review was to give the landlord the opportunity of putting forward a case as to why the eight per cent was insufficient or, in the case of a tenant, to give him the opportunity to say why it was too high. That is the first question.

I understood distinctly that there were going to be many factors. Among the obvious things that were discussed at great length in the debate on this subject, including in the committees, were such factors as costs; a tenant coming off a two- or three-year lease; the market concept; trying to keep the retroactivity down to a minimum, which new legislation generally tries to avoid; and trying to minimize the effect on future development and building.

As I stated, I am keeping away from the whole concept of the bill, because the bill is here right now. But it was my understanding that these were the things that we were trying to bring into consideration purportedly to get some form of equity for both the tenant and the landlord.

Firstly, section 4(7) reads in part:

Where a landlord is of the opinion that increased operating costs and capital expenses which he has experienced in respect of residential premises or the building or project in which they are situate will exceed the increase in rent permitted under subsection 1 . . .

I won't read it all but, to my non-legal mind, for all intents and purposes the legislation does not take into consideration all these factors which we were purportedly trying to be fair and reasonable about at that time. I would like to stop for a moment, because I have got more to say on this, and hear what the minister has to say on that point alone.

**Hon. Mr. Handleman:** If I might deal with the first point you made, about errors and what we are doing to correct them, if they are human errors—errors in judgement—then we would hope that they could probably be



corrected at the appeal board. Or if they are repeated or seem to be widespread, then of course the rent review administration office will issue clarifying notices to the various officers around the province. They send out these instructions to them to try to achieve some consistency. But where it is simply an error in judgement we hope the appeal process would take care of that.

Where it is something that is basically wrong in the law, then obviously we have to amend the legislation, which is not that easy.

**Mr. Shore:** We just passed some amendments.

**Hon. Mr. Handleman:** Yes, we just brought some in. Where it is an error in the regulations and it is drawn to our attention, of course we can put through regulations, not with a great deal of ease, but at least without the time-consuming process of legislation. When we do that, these are published and become part of the law, where the law provides for regulations.

The law does not spell out all of the various aspects that were mentioned in the debate, which you have just mentioned. I think our officers are fully aware of those, and these are given to them in the form of guidance sheets or manuals. Mr. Robbins sends these out to the various rent review offices across the province, saying this is the way to take into account the two- or three-year lease; this is the way to take into account the problems that are not specifically spelled out in the Act. So they do have some guidance, and again I think there is some degree of consistency being achieved through those information sheets. Is that what they are called, Mr. Robbins?

**Mr. Robbins:** I think in this case it is more the guide to the cost-revenue statement; we have brought a number of copies of this, along with our brochure on the Act. The members might want to look over these while we are here.

**Hon. Mr. Handleman:** The information is given to the officers so they can try to take into account the various factors which are not spelled out in the Act; they are provided for in the Act but not spelled out. For example, increased costs. Those are provided for in the Act. There are things which some people feel should be in the Act which are not there and we don't instruct the officers to take those into account. I think this is where, sometimes, there is some difficulty in distinguishing between the two.

**Mr. Shore:** Mr. Minister—sorry, go ahead.

**Mr. Robbins:** I was going to say that generally the system stems from the legislation as it is written there. It's founded on looking at the amount of cost increase a landlord has experienced and attempting to determine a new rent level which will allow him to offset that cost increase. It has a lot of similarity to the Anti-Inflation Board programme of the federal government in the way it's based on this cost pass-through principle.

The other major operating factor in this thing is the elimination of a financial loss as suggested in 7(2)(b). A rent review officer looks at the financial position of a landlord and can also grant a rent increase or order a rent increase to eliminate a financial loss position.

The principles are defined in the guide to the cost revenue statement—

**Mr. Shore:** I've seen them.

**Mr. Robbins:** —which is coming around now.

**Mr. Shore:** I have read here, specifically in the Act, only the cost pass-through concept. Forgetting what the document says right now and being a non-lawyer, would you agree with me that the points I brought out a moment ago were some of the major reasons we went purportedly to rent review as opposed to rent control?

**Hon. Mr. Handleman:** No, I think those things you mentioned arose out of the rent review concept. If you have rent control, you're not going to talk about pass-through of cost or anything else. You set a limit and freeze the rents at that point.

**Mr. Shore:** That's right. Therefore, in the rent review concept, do you not agree that we talked about and recognized these factors other than the cost pass-through?

**Hon. Mr. Handleman:** Every one of the factors that you mentioned—maybe you want to review those which you think are not part of the operating cost or capital expenses?

**Mr. Shore:** Certainly a person coming off a three-year lease has nothing to do with a cost pass-through.

**Hon. Mr. Handleman:** Sure, the cost pass-through—

**Mr. Shore:** He has absolutely nothing to do with the cost pass-through.

**Hon. Mr. Handleman:** I would say the cost pass-through, in other words, the increase in



cost in a three-year lease, is considerably more.

**Mr. Shore:** No, it isn't. Let me explain this to you.

**Hon. Mr. Handleman:** Okay, don't jump. I would think it was.

**Mr. Shore:** Let me get one thing clear. Forget whether you and I agree, whether it does or it doesn't; do you agree that the concept is sound?

**Hon. Mr. Handleman:** Sure.

**Mr. Shore:** And when it is being reviewed, these factors should be taken into consideration?

**Hon. Mr. Handleman:** Right.

**Mr. Shore:** If you agree with that, what I am saying to you is that from discussions and meetings with people who have been through the process, the only thing the rent review officer has, according to my information—and you put it to me, “unless you saw it,” and “we want to be sure of our facts,” fine, I want to be sure of my facts, but I've heard from enough people now that on balance I'm satisfied a theme has developed throughout this whole process—the rent review officers hearing these cases are only taking into consideration the following: If last year's costs were X dollars, the officer looks at what this year's cost is in his definition of what is allowable cost. That's all he's taking into consideration according to the—don't shake your head, I'm telling you what these people have had rulings on.

**Mr. Robbins:** I shake my head because that's not the guideline he should—

**Mr. Shore:** All right, that's what I'm coming to. I spoke to Mr. Handleman a month and a half ago. I'm saying to you I respect that that is what he's supposed to be doing—what can I do to tell you clearly that the facts coming out of the situation are different? I can only speak of the people I've discussed this with thoroughly in London, Ont. If somebody wants to tell me what's going on in Oshawa, I'll respect them until it's proven otherwise. In London, Ont., the rulings that are coming out are on the basis of just the cost pass-through and not taking into consideration the factors that I concede to be very important factors. If you say that's not the guideline now, that makes me feel good because at least the intention is right, but then I come to the question of how do we find out whether it is or isn't happening? I think the only way to find out is for me to

bring some of my people who have told me something, and I've sat down with them and have seen it, and confront them with your people, not through appeal boards or whatever it might be. I'm telling you that's what is happening, sir.

[5:30]

**Hon. Mr. Handleman:** I would have to leave it to Mr. Robbins. I know that's not what the rent review officers are told to do. You say that's what is happening. Obviously, we're going to have evidence to indicate to us that it's happening, not somebody's statement that it's happening. There may be misunderstandings as to what's happening. I think we're going to have some kind of evidence from the London office through Mr. Robbins.

**Mr. Shore:** That's fair enough.

**Hon. Mr. Handleman:** We will take a pretty good look at it.

**Mr. Shore:** And you're entitled to have my people prove it?

**Hon. Mr. Handleman:** Sure.

**Mr. Shore:** I'll tell you, the first thing I think I'm entitled to have—you say the onus shifts around a little bit—is a copy; and I see nothing wrong with it, of the document that you're giving to the rent review officer for his guidelines. I think that we're purportedly into an open concept. I think I'd like to, and I think the landlord perhaps would and the tenants might want to, have a copy of the guidelines you're giving out.

You tell me they're not guidelines. I don't want to discredit you or disbelieve you, but I don't want you to disbelieve me, because I'm not coming here trying to manufacture stories. I'd like to see the guidelines and I'd like to hear whether I can get a copy of the actual—I've seen those forms; God only knows about the forms—guidelines that are given to the rent review officers. There should be no reason why I shouldn't be allowed to see them and there's no reason why a landlord shouldn't be allowed to see them and, as far as I'm concerned, there is no reason why a tenant shouldn't be allowed to see them. If I see that it will start me developing something.

**Hon. Mr. Handleman:** I think Mr. Robbins has made it quite clear that the so-called guidelines are available. They're mailed out and they are public documents. They are given to you or to anybody else.

**Mr. Robbins:** No, they're not all there.



**Mr. Shore:** Right, they're not all there. I understand, Mr. Minister, that there is a specific something that goes to a rent review officer. Correct me if I'm wrong.

**Mr. Moffatt:** It is the manual.

**Mr. Shore:** Is there a manual or some internal document that goes to a rent review officer? As a matter of fact, you alluded to it at the beginning.

**Hon. Mr. Handleman:** No, I didn't.

**Mr. Shore:** Yes you did.

**Hon. Mr. Handleman:** I referred to the information sheets that are sent out.

**Mr. Shore:** Yes, you did, I think, but I'm not going to get into that now. The important thing is, is there some document that a rent review officer gets? Is there something?

**Hon. Mr. Handleman:** Yes.

**Mr. Shore:** That's the one. I don't want to play games with words. Is that document, or information sheet, available?

**Hon. Mr. Handleman:** It's available for examination to any member. We've taken that up. We discussed that on the very first day of the estimates here. If any member who wishes to see it and then, after seeing it, wishes to take the responsibility which would fall on him to make it a public document, I can't deny you that right. You can come and look at it.

**Mr. Shore:** I'm a big boy. I'll take all the responsibilities that go with the job.

**Hon. Mr. Handleman:** I think you should look at it first before you do that. Okay? I say that to any member who wants to see it.

**Mr. Shore:** I'm not too worried about that.

**Hon. Mr. Handleman:** I think after you've seen it you won't make it public.

**Mr. Shore:** I appreciate your lecture.

**Hon. Mr. Handleman:** No, no. We're putting it to you on that basis, because we're not making it public and we won't take the responsibility for making it public, I can tell you that right now.

**Mr. Shore:** Let me put it another way: If a landlord asked you for a copy of that document you're not going to give him one, is that right?

**Hon. Mr. Handleman:** Absolutely.

**Mr. Shore:** Then why are you giving it to me?

**Mr. Breaugh:** Are you a landlord?

**Hon. Mr. Handleman:** Because you say you would like to see it and we think, as a member of the Legislature, you should be taken into our confidence.

**Mr. Shore:** I'm glad to hear you say that. I'd like a copy of that document.

**Hon. Mr. Handleman:** Oh, no. We'll let you see it. One member of the Legislature has refused to even look at it. He said if he can't have a copy of it he won't look at it.

**Mr. Shore:** I may end up saying the same thing.

**Hon. Mr. Handleman:** Right.

**Mr. Shore:** Why can't I have a copy of it?

**Hon. Mr. Handleman:** Because we would like you to look at it and then determine if you want a copy of it, fine. We will then say that Mr. Shore has a copy of it and anybody who wants it can get it from him.

**Mr. Shore:** You're saying that if I make the decision after I've looked at it I can still have it? You're not going to refuse a copy to me after I've looked at it, in other words?

**Hon. Mr. Handleman:** No, if you want it.

**Mr. Shore:** So we're playing a little game. You're protecting me by not giving me a copy first?

**Hon. Mr. Handleman:** I think we are. There are some other members who feel the same way.

**Mr. Shore:** I don't care what the other members feel. I'm quite capable of protecting myself. If I make a mistake I'll blow my brains out.

**Mr. Breaugh:** Is that a promise?

**Mr. Shore:** I don't know how to respond to that.

**Hon. Mr. Handleman:** Mr. Robbins will probably have more to say to that.

**Mr. Robbins:** I was just wondering if I might comment on the percentage. I have some statistics on the various hearings that we have held to date.

**Mr. Shore:** Excuse me, I would like to get finished with mine first. I have the right to a copy of that document that goes to the rent review officer. Is that right?



**Hon. Mr. Handleman:** Yes, as I say, we are suggesting that you look at it.

**Mr. Shore:** I appreciate your suggestion.

**Mr. Robbins:** I was just responding to your point that the percentage granted in London was low, and I'm sure in certain cases it has been true. But the average percentage granted in London over some 44 hearings is 11.18 per cent. That compares with 11.3 in Etobicoke, 11 in York, 11.8 in East York, 11.6 in Hamilton, and 11.3 in Barrie, just to quote some other communities that were about the same average.

**Mr. Shore:** Mr. Robbins, I respect your statistical analysis. But it wouldn't matter to me whether it was 19.2 per cent in London and three per cent in Toronto or two per cent in London and 19 in Toronto. That is not what I am getting at. If you want to get into that debate, that's a whole argument in itself. It may well have been that in Toronto, Ont. for the three years prior to rent review you might have had nine increases of rents while in London, Ont. you might have had only one because of the marketplace. Those statistics mean absolutely nothing, and that is what I am concerned about.

It may well be—and I can tell you it's a fact—that in Kitchener, Ont. because of the marketplace a building in a unit cost somebody \$15,000, just to use that as an argument, and that person in Kitchener, Ont. may be getting \$190 a month rent and in London, Ont. may be getting \$155 a month. As far as I can ascertain on any information that has been reviewed, those factors are not taken into consideration, and the fact that that landlord may or may not have lost money. I am not here representing anyone. I am trying to understand. This was purportedly an equitable piece of legislation for both parties; I am suggesting to you that on the information I have so far it is not.

**Mr. Robbins:** And it is biased towards the landlord, is that what you are suggesting? I mean biased towards the tenant?

**Mr. Shore:** It is not even a matter of being biased. The facts are that it is not working the way it is purportedly intended to work, the way you tell me and the way the minister tells me it's intended to work, all right?

There is a second point I would like to make. You get into this argument that it is biased towards the landlord, or biased to the tenant. In my opinion, it is not for the landlord necessarily to subsidize a tenant. If there is going to be subsidization let the

province or the government do the subsidization. What I am really here to discuss is the theory of what I understood this Act was supposed to be. In my humble opinion, it had a lot of demerits going for it when it first came in. All I'm trying to see is that with all those things at least it doesn't get worse than what's there now. I am suggesting that it isn't working and functioning the way I perceived it to do.

There is another thing I have heard more than once, more often than I want to hear it, although I can understand it a little bit. What is the test for the rent review officer as to when he demands an audit, an audit defined to mean a public accountant being called in to do a certified statement. I heard in a couple of instances that some of these people who have been told to do it don't even know what an audit is. Granted it is a landlord's responsibility and an owner's responsibility certainly to come in with adequate and proper information, but what I'm getting as feedback—and keep in mind not all owners are Cadillac Construction and so on—is what are the criteria? Is that subjective, totally, or can you give me an idea; because I have had several phone calls on that type of subject.

**Mr. Robbins:** The Act says the rent review officer must be satisfied that the financial information that the landlord places before him is, indeed, factual. One of the reasons for the hearing, I think, is to have the tenants raise any objections that they may have. If a landlord lists a capital expenditure, say, for air conditioning the building and the tenants point out that the air conditioning had only really taken place over three storeys instead of the 13 storeys there are in the building, that's the type of information that would lead a rent review officer to have doubt about the information that was placed before him.

He can take a number of steps to clear up that doubt. He might ask for invoices, he might ask for an audited statement of some kind, or he ultimately could actually initiate a full-fledged audit of that landlord's books. To date, I don't think that has been done. We haven't had a full-fledged audit issued to date in any case.

**Mr. Shore:** Could I ask this question? Is the person who is responsible for the London district here?

**Mr. Robbins:** The regional director responsible? Yes he is. Mr. Downey.

**Mr. Shore:** Maybe he can correct me. I've been led to believe that the rent review officer in London has asked for audits. I don't



know what you mean by a full-fledged audit as opposed to a half-full-fledged audit—

**Mr. Robbins:** Maybe we could get Mr. Downey to comment on that. Mr. Downey is a CA and I think understands what an audit is. He can give you an idea.

**Mr. Downey:** I happened to be in London last week and spoke with a group of the London landlords who asked that I come to a meeting. This question did come forward from one London landlord, requesting that I clarify this point for him. I told the landlord in question that the rent review officer, if he had ordered that an audit be made where audited statements were not available, he had no right to order it. He could conduct an audit on his own, because the Act provided that he could go in and audit the records, and he had mistaken that part of the Act. I spoke to the rent review officer concerned and clarified that point with him. I told him that if the landlord had an audited statement available, he could ask for it, but he couldn't order the landlord to incur extra costs by providing a statement for records that weren't normally audited.

**Mr. Shore:** And is that clarified in your London office?

**Mr. Downey:** Yes, that was clarified.

**Mr. Shore:** Thank you. Subject to my reviewing this hot piece of merchandise and with the help of the minister—

**Hon. Mr. Handleman:** I'm not going to help you.

**Mr. Shore:** —making a judgement as to whether I should get it—

**Hon. Mr. Handleman:** It's your judgement.

**Mr. Shore:** —could I ask, through you Mr. Chairman, either the minister or Mr. Robbins to comment on their observation as to what criteria the rent review officers are taking into consideration when they're making their deliberation in judgements?

**Mr. Robbins:** Yes you can, sir. Out of the Act we have developed that "Guide to the Cost Revenue Statement." This is quite a comprehensive document. It defines, in quite a level of detail, how a rent review officer goes about making a rent determination. To my knowledge, there's not a policy or a principle in the rent review officer's manual that isn't in this document, which is a public document.

The way the rent review officer's manual is structured is that it quotes a paragraph or

two out of this manual, which is under a heading of "policy," and then it has a sub-heading, "commentary," and it tries to give the rent review officer an appreciation for why that policy was established. Then there's a third subheading in some cases, which is an example, and it gives the rent review officer a mathematical example, usually of the implementation of that policy.

The idea of the rent review officer's manual was to give him a little more than what is outlined in here, and in a way that was never kind of written for public consumption. It was written more or less for a layman with some financial background, such as our rent review officers generally have, in order to try to bring them up to a level of quality in their decision-making as quickly as we could. One of the purposes we had for this manual was to be able to provide some good examples on how it should be done and some bad examples in there on how it should be done. And it's the bad example part that you might not want to have under public consumption in particular.

[5:45]

**Mr. Shore:** What examples or what direction are you giving them to take into consideration the concept of two and three-year leases, the concept of the market value of the product, the concept of the fact that a landlord may have a substantial investment in his property, the concept of the fact that he may have lost money for two or three years before? What direction are you giving them to deal with those four major items?

**Mr. Robbins:** Only what is listed in this—

**Mr. Shore:** There is nothing in there, sir. I'd like the minister to accommodate me and to comment whether he agrees or disagrees with me on that point.

**Mr. Robbins:** The landlords are the same way. First of all, they say that really it's the free market that should determine rent levels. Secondly, they say that really the same forces ought to be considered under rent review. Unfortunately, that's not the way the legislation is structured.

**Mr. Shore:** I don't want to get into a debate on the free market system. I happen to agree to a great extent with that, but that's over with and we now have a piece of legislation. All I'm trying to determine is how we at least partially accommodate some of these things with the legislation we have.

**Mr. Robbins:** We can deal with them item by item if you want.



**Hon. Mr. Handleman:** I think there are two specific things, because I didn't gather from your comment before on the question of the substantial investment that the man has in his property, because there is nothing in the Act, nor has there ever been any suggestion—

**Mr. Shore:** You told me that in the House.

**Hon. Mr. Handleman:** —to determine equity. That's right. And that's one thing that is not in there, nor should it be in there, because it isn't part of the Act. I'm not suggesting in equity there shouldn't be something like that, but it's not there.

So the thing that they would be talking about, and I hope Mr. Robbins will show you the examples because I want to be assured of this too, that there are different ways of looking at one-year, two-year and three-year leases—and there are, as I understand it, and I'm no expert in this field. You do look at the question of whether or not the landlord has had a loss in previous years, and that is in the instructions to the rent review officers somewhere. Now where it is I will let Mr. Robbins point out to you.

**Mr. Robbins:** In the guide to the cost-revenue statement, on page 2, it talks about when a landlord has a number of expiring tenancy agreements with different durations—that is some of one year's duration, some of two years' duration—the landlord should group the tenancy agreements on the basis of duration and complete a separate cost-revenue statement for each group.

The idea is that you would tend to hear and order on the basis of the length of the tenancy agreement. So that when you had people coming off, say a three-year tenancy agreement, the percentage increase that was determined for those would more likely be higher than those coming off a one-year tenancy agreement. This is because their rents have been at one level for three years, as opposed to the person coming off a one-year tenancy agreement, who has maybe had two corrections over the same time period.

**Mr. Shore:** Could I direct a question to the regional director, Mr. Downey? What experience have you had from the landlords in the London area relating to some of the comments I've made here?

**Mr. Downey:** I've looked at a number of the cases of the landlords, a number of the rulings that have already been made by the rent review officers down there. With respect to the terms of leases, I've seen instances where the rulings have been to the effect that

the landlords may, as an example, get a 16 per cent increase on a two-year lease and a nine per cent increase on a one-year lease, based on the difference in cost from two years to one year. This information has been provided to our office. The increases have varied according to the terms of the leases, if that's the point you were trying to make.

I've reviewed a number of the cases in London. I can't look at every individual case, but I was reasonably satisfied that they were applying the principles as directed in our manual.

**Mr. Shore:** You may be right. I won't know until I see what your manual says.

**Mr. Minister:** I won't make presumptions, but are you satisfied that the intent of the rent review is operative?

**Hon. Mr. Handleman:** If you ask me if I'm perfectly satisfied, I'm going to say no. There's no such thing as—

**Mr. Shore:** Are you imperfectly satisfied?

**Hon. Mr. Handleman:** Yes; I'm satisfied, generally speaking. Of course, I was not involved in taking it through the House but I was there for quite a bit of the debate and, as I perceived it, it was to put the onus on the landlord to prove that he was entitled to more than eight per cent. Or, as you mentioned, in very rare cases to put the onus on the tenant to prove that eight per cent was too much. In my view, that is exactly what is happening. I have begged groups on both sides not to turn it into an adversary system and there's been a great deal of danger of that happening. In some cases, it has happened. To the extent that's happened, I am not satisfied.

I am satisfied that, for the most part, the landlords in good faith are trying to carry out their onus. They complain about the burden it places on them but the onus is quite squarely on them.

**Mr. Shore:** I'm all for that. I see nothing wrong with it.

**Hon. Mr. Handleman:** The appeal process, it seems to me, is working very well. The board is hearing appeals; it's hearing them expeditiously and it's trying to act in a very judicial manner. From what I've seen of the appeal decisions which have been handed down so far, that's the way it's operating. It's certainly not perfect but I think the intent of it is being met and landlords are getting cost pass-throughs.



I recognize the problem of the return of equity. I've always said I can't understand why a person would want to be in this business when it's easier to buy savings bonds, but many people are in it as an investment.

**Mr. Shore:** They were in it.

**Hon. Mr. Handleman:** You'd be surprised how many landlords have said to me: "It may not be so bad after all. We are getting a fair profit." Some of them—not all of them, obviously—are saying that. I understand one in Peterborough is going to close all his buildings down because he feels he's not getting a fair profit, but that's going to be the case from time to time.

**Mr. Shore:** There are no landlords telling you that now.

**Mr. Moffatt:** What did you say?

**Hon. Mr. Handleman:** Some landlords are telling me that.

**Mr. Shore:** Telling you what?

**Mr. Drea:** Your guy in London was in the paper yesterday; he's going to close everything down.

**Mr. Shore:** No, that was Kitchener. You're close; you're in Ontario.

**Mr. Drea:** It was your guy in London.

**Mr. Shore:** Let me ask you two more questions. The first is, in view of the situation in London with the injunction and so on, would it not make sense—please give me the rationale why it wouldn't—if the landlords—many landlords on the advice of counsel, apparently, are now saying: "There's a court case going on"—is there anything wrong or why would it not make sense, from a fairness point of view, perhaps from a legal point of view, or from a dollar and cents point of view, if a specific landlord said: "I do not want to go ahead with my hearing now in view of that court case, whatever it might result in," why would it not make sense to allow him to defer until this case comes up rather than force each one of them to go to some court? I don't know what court they go to, but they have to go to some court, and they're automatically going to get a ruling of deferral. That's happened to two already apparently. From a practical point of view—maybe there's some solid reason against it—if a landlord says: "Please defer it until after this comes up," why should we put him through the expense and

whatever else is involved in having to go before the court to do it when it appears, as I understand it as a non-legal person, it's an automatic situation that they get a deferral from the court?

**Hon. Mr. Handleman:** I'm not sure they are all having to go to court. We discussed last week what the effect would be. It's my understanding that the law puts an onus on the rent review officer to name the date for a hearing within the 30-day period after he's received whatever application is before him. Looking at it, I didn't feel that it required that the hearing be held on that date. Maybe Mr. Robbins has better legal advice.

**Mr. Shore:** Let me just clarify to Mr. Robbins that in this instance my facts aren't as certain as my other facts.

**Mr. Robbins:** I understand—

**Mr. Shore:** I am going by the London Free Press, which is never totally—

**Mr. Robbins:** I think the facts you had there are correct. They are accurate in that situation. What we're faced with is a number of landlords deciding that having made an application for rent review, they have now had a change of heart, you might say, and are trying to find a way out of the process. They've opted in, but now they are attempting, first of all, to withdraw the applications. We say no, because the time limit for the right of the tenant to appeal has already gone by. You'd be removing the right of the tenant to rent review, because many tenants might have said: "I don't have to apply for rent review because my landlord has."

So these landlords are looking for a way out.

In this case, they've taken a technical point in the Act that says that a rent review officer shall give written notice to the landlord and tenant of the date, time and place for which he's fixed a hearing within 30 days. They have applied to the Supreme Court for a judicial review to determine, when we don't meet that 30 days, whether we still have jurisdiction to conduct a rent review.

That issue has been discussed somewhat in a lower court as a side issue, not as a main issue. The thinking at that level was that indeed, because neither the landlords nor the tenants have had their rights taken away by the fact that the rent review officer missed the 30-day period and went to 32 or 40 days or whatever—

**Hon. Mr. Handleman:** Mr. Robbins, if I might, I'm going to interrupt you right now.



It's my view that what Mr. Shore is asking is, does every landlord who wishes to depend on the court decision have to go to court himself? I think that's a different thing from the man wanting to go to court to achieve a certain purpose. I'd like to ask that question, too. Would the landlord have to go to court?

**Mr. Robbins:** We're continuing to hold hearings in London in cases where we have missed setting a hearing date within 30 days. We are continuing to hold hearings.

**Hon. Mr. Handleman:** But suppose the landlord said, "There is a court case pending. I was not notified of the date within 30 days. I don't want to go to court; I want to wait and see what that decision says." Is it not possible for those hearings to be adjourned?

**Mr. Shore:** That is the only question I'm asking.

**Mr. Robbins:** It is possible. The instructions we have at the moment are that if you continue with the hearing—

**Hon. Mr. Handleman:** No, no. They want to adjourn the hearing. Why can't they adjourn the hearing?

**Mr. Robbins:** I was just giving the rationale for why we are not adjourning the hearing.

**Mr. Shore:** I follow your rationale and I appreciate it. I'm not taking the position of the landlord or otherwise. I'm not arguing as to why they want to withdraw. Maybe many of them want to withdraw because they have suddenly found out something in this that they didn't know before. That's fine. I think it's an unfairness to a certain extent, but I don't want to debate whether they should have the right to withdraw. I could debate that, but that's not what I'm here for now. Let them debate that themselves. I'm not here to represent them.

(What I am here to say is that it seems sensible to me, not that they should be allowed to withdraw—that's a debate in itself—but surely, while this case is pending, to force any individual one to have to go to a specific court each time and get a ruling that he can wait until the court case comes up.

I know of at least one instance where they said to the rent review officer, "This court case is pending. We don't know what the

results are, so hold our case aside." They didn't necessarily say "withdraw it," although they may have said that, too. But the ones I'm talking about are the ones who are saying, "There's a case pending. Don't put me into this position." The legal adviser in this instance has told me that they are forcing each one who wants to wait for the ruling to go to a court and get whatever you get to hold the ruling.

**Mr. Robbins:** It is simply to make an application to the court; and where there has been an application made, we adjourn the hearing.

**Mr. Shore:** But why do you make them do that?

**Mr. Robbins:** In those instances, the decision comes and it's appealed, which means it is six or seven months before we get a decision. All that time we're in a state of adjournment on that. When the issue is finally decided, six or seven months down the line, for an increase four or five months back—

**Mr. Shore:** I know exactly what you're telling me.

**Mr. Robbins:** Let's say a tenant is presented with a bill for a \$40-a-month increase over a period of 13 months. What kind of a position is he going to be in? What kind of a position is a landlord going to be in with the general turnover in tenants when, 13 months down the line, he finally gets the right to collect his higher rent?

**Mr. Shore:** With the greatest respect, those questions are not the questions you and I should be discussing here.

The issue is this, as I see it. The person who goes to that court is getting the ruling you say he may not get. All I'm trying to say is that what they're asking for they're generally getting when they go to court anyway, and they're still facing both the problems that you've brought out. So why force them to go to court?

**Mr. Chairman:** Mr. Shore, it is being pointed out to me by members of the committee that it is now 6 o'clock. We will resume at 8 o'clock and you will be on.

**Mr. Shore:** Thank you very much.

The committee recessed at 6:01 p.m.

#### ERRATA

No.	Page	Column	Line	
S-34	S-1027	2	24	From this point through to page S-1028, column 1, line 31 speaker should be Mr. Godfrey instead of Mr. Gregory.



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## SPEAKERS IN THIS ISSUE

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Breagh, M. (Oshawa NDP)  
 Cunningham, E. (Wentworth North L)  
 Drea, F. (Scarborough Centre PC)  
 Gregory, M. E. C. (Mississauga East PC)  
 Handleman, Hon S. B.; Minister of Consumer and Commercial Relations (Carleton PC)  
 Kennedy, R. D. (Mississauga South PC)  
 Lawlor, P. D.; Chairman (Lakeshore NDP)  
 Moffatt, D. (Durham East NDP)  
 Renwick, J. A. (Riverdale NDP)  
 Sandeman, G. (Peterborough NDP)  
 Shore, M. (London North L)

**Ministry of Consumer and Commercial Relations officials taking part:**

Cooper, R. W., Executive Director, Liquor Licence Board.  
 Downey, D., Regional operations, Rent Review Division.  
 Humphries, H. F., Deputy Registrar General.  
 Rice, E. J., Chairman, Liquor Licence Board.  
 Robbins, W. M., Executive Director, Rent Review Division.















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# Legislature of Ontario Debates

**SUPPLY COMMITTEE—2**

**ESTIMATES, MINISTRY OF CONSUMER  
AND COMMERCIAL RELATIONS**

**OFFICIAL REPORT — DAILY EDITION**

**Third Session of the 30th Parliament**

**Thursday, June 3, 1976**

**Evening Session**

**Speaker: Honourable Russell Daniel Rowe**

**Clerk: Roderick Lewis, QC**

**THE QUEEN'S PRINTER  
PARLIAMENT BUILDINGS, TORONTO  
1976**



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## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

THURSDAY, JUNE 3, 1976

The committee met at 8:05 p.m. in committee room No. 2.

#### ESTIMATES, MINISTRY OF CONSUMER AND COMMERCIAL RELATIONS (concluded)

On vote 1308:

**Mr. Chairman:** The committee will come to order. The committee is much too friendly tonight. Mr. Marvin Shore was on before the break.

**Mr. Shore:** I think I got in the middle of something.

**Hon. Mr. Handleman:** I think the question being discussed was whether or not the rent review officers should direct people to the courts to get a deferment of a hearing or whether they themselves could do it. I think Mr. Robbins was explaining why, in his view, they would be better advised to go to court. I don't know whether he has anything further to say on that?

**Mr. Robbins:** The only thing I might say further is that I might have left the wrong impression in that if both the tenant and the landlord are asking for an adjournment, I quite agree there should be an adjournment. I wouldn't want to give you the impression that the rent review officers have been instructed to carry out the hearing under those circumstances.

**Mr. Shore:** Obviously, you and the minister had a little meeting before the break.

**Hon. Mr. Handleman:** Perish the thought.

**Mr. Shore:** No. There is nothing wrong with these meetings. Really, I haven't been satisfied.

**Mr. Drea:** Come on, will you? Make your cheap shots somewhere else.

**Mr. Shore:** Come on yourself, Frank. The member for Scarborough Centre is the ombudsman for every committee. Let me ask the minister—

**Mr. Drea:** I'll tell you, I don't have to be the ombudsman for every committee except when you're on it.

**Mr. Shore:** Let me ask the minister this, Mr. Chairman, if I might. Could you tell me why, in view of the fact that there is a court case pending, the owners or landlords who request that their hearings be deferred until this court case is heard should not be able to do so by just applying to the rent review office to defer the hearing—I'm not saying to do anything else, not to withdraw it, to defer the hearing—rather than having to go to court and automatically get a deferment? Why let them go to that expense and whatever else is involved? Why will your review officers or the rent review board or whoever is involved of your people not allow them to defer the hearings?

**Hon. Mr. Handleman:** Having listened to Mr. Robbins' explanation, I suppose it's because there are disadvantages to the tenant in a deferment. Therefore, it would be more advantageous, if the tenant does not agree to the deferment, to go ahead. I think the rent review officers could very easily bring both parties together when there has been this application for an adjournment, explain to both parties the facts and the possibilities of what might happen and let them decide. If one of the parties does not want the adjournment, in my view it would be unwise to grant it. You would really be prejudicing the rights of one of the parties in order to meet the wishes of the other. If the court does it, then fine. We certainly obey the wishes of the court but it is not automatic. You have to get a court order.

**Mr. Shore:** But the courts have ruled twice out of two times and they're going to rule the same all the way through, apparently.

**Hon. Mr. Handleman:** I think the officer might very well call the parties together and explain to them. I guess we have somebody who can meet with them before the hearing?

**Mr. Robbins:** Yes, that could be done.

**Hon. Mr. Handleman:** I think if the rent review officer were to do it unilaterally, the



tenants would have a valid objection to that procedure unless they had given their consent to it.

**Mr. Robbins:** In this particular case, it's very likely that we'll have a decision from the courts before the orders are issued by the rent review officers. The problem is if that decision is then appealed, it could take months before the thing is settled.

**Mr. Shore:** I respect that, but you have grasped it but you don't want to admit it. I'm not saying for a moment that the rent review people should necessarily allow the withdrawal of a landlord's application. I'm just saying it seems to me impractical and unfair and it also seems as though it's creating a lot of cost to these people when it is reasonably obvious that when they go to the court they're going to get the deferral anyway. So the rationale that you're using, that it's not fair to this, or it may last nine months, or 109 months, is really not the issue, because once they get the appeal then it could still last the period of time that you're putting the argument for.

But I'm not getting anywhere and you've given me the answer, which is not really acceptable to me, and I'm prepared to leave it go at that.

The next question I'd like to ask is in relation to the apparent plan that this legislation will terminate—is it in August, 1977? Yes, August, 1977. Is there any plan—and if so what is it, and is it bringing into the confidence of the government and the ministry the owners and/or the tenants?—is there any plan being developed for Aug. 1, when it comes to an end? Is there any plan being developed on how it's going to take place and what's going to happen?

**Hon. Mr. Handleman:** It takes place by statute.

**Mr. Shore:** Well, I know that.

**Hon. Mr. Handleman:** There's no problem about that. It takes place because the Act says it shall take place. What we're trying to develop internally—and I'm not in a position to announce any policies—is a phased-in policy so that we won't go right from the Act to chaos. There has to be some kind of transitional period whereby there is some form of—I don't even want to use the word—review or control—some observation of what's happening and a contingency plan, if necessary, to meet those cases that need some government intervention. What that will be, I really don't know.

**Mr. Shore:** But what is the philosophy or the thinking of the ministry? Do you announce that phased-in plan on Aug. 1, or do you announce that plan before Aug. 1?

**Hon. Mr. Handleman:** I've thrown out some ideas for consideration already. We have no plan. I can tell you now it's being developed, but I would suggest that certainly the government should give some indication of what it intends to do—

**Mr. Shore:** Prior.

**Hon. Mr. Handleman:** Yes, without saying: "Oh boy, we're just going to wait for that date and then we'll be able to do what we want." I think we have to prepare people for the fact that the government will not leave people defenceless, no matter who they are. I think we have to be ready to deal with that.

But what methods we would use—I have thrown them out in public speeches. I don't think I want to develop them any further here.

**Mr. Shore:** In relation to the accounts themselves here, how many people are involved in the Rent Review Board salaries and wages?

**Hon. Mr. Handleman:** The Rent Review Board? Are you going back to the board now?

**Mr. Shore:** Yes.

**Hon. Mr. Handleman:** Perhaps I could introduce Mr. Maxwell Bruce, because we do have the figures here.

Unclassified staff, 236—is that right? No, that's the rent review programme.

**Mr. Shore:** The Rent Review Board is what I'm after.

**Mr. Bruce:** There are about 12 or 14 salaried staff and there are at the moment 40 board members, of which I'm the only full-time one and the rest are paid on a per diem basis.

**Mr. Shore:** What's your pay?

**Mr. Bruce:** It's \$40,300, I think.

**Mr. Shore:** And what do the board members get?

**Mr. Bruce:** They're getting a per diem allowance of \$85 in the case of ordinary services and \$125 when acting as chairmen of panels. There are two vice-chairmen of the board who are part-time who are paid \$135 per day. I should explain that the board sits



in panels of two, of which one is chairman of the panel.

**Mr. Shore:** This \$1,512,000; that's made up of 12 to 14 salaried people, is that—

[8:15]

**Mr. Bruce:** I don't see the \$1 million.

**Mr. Shore:** In the estimates.

**Mr. Bruce:** Oh, yes.

**Hon. Mr. Handleman:** \$1.5 million.

**Mr. Shore:** That's for 12 to 14—what do you call them?

**Mr. Bruce:** Salaried staff.

**Mr. Shore:** Full-time salaried staff. Are these people pulled in from somewhere or are they people you can't let go on Aug. 1? What is the status of that group of people?

**Hon. Mr. Handleman:** I assume they're on contract, but I'll let the chairman answer.

**Mr. Bruce:** A few of them are on contract. The rest are from Office Overload, in the same manner, I think, as the majority of the staff of the rent review programme is.

**Mr. Shore:** They're not permanent employees?

**Hon. Mr. Handleman:** Oh, no; there's no permanent complement in any of this programme.

**Mr. Shore:** There isn't any permanent complement? Okay.

**Hon. Mr. Handleman:** There may be civil servants who have come from other programmes, but these particular positions end with the end of the programme.

**Mr. Shore:** So the \$1.5 million is for 12 to 14 salaried staff plus the 40 board members?

**Mr. Bruce:** That's right.

**Mr. Shore:** Is there an estimate of the number of per diem days? Is that what you've done here?

**Mr. Bruce:** This was designed, as I understand it, by the Ministry of Housing several months ago. These figures are a projection of their design of the programme.

**Mr. Shore:** Maybe I'll do it another way then. Can I ask some ministry official how the figure breaks down? I don't want to

know everybody who is there, but I want to know how you arrive at \$1,512,000.

**Mr. Robbins:** The figure itself is based on 62 unclassified staff and 13 agency staff.

**Mr. Shore:** What's agency staff?

**Mr. Robbins:** That's the Office Overload staff. The unclassified staff is budgeted at a full year's salary for those who were hired or were to be hired by April 1, 1976, and nine months' salary for those who were to be hired during the fiscal year 1976-1977. All salaries were calculated at the middle of the salary range.

**Hon. Mr. Handleman:** I think you should know that the total estimated manpower was 75; obviously we haven't reached that yet, so the salary figure you have is based on the estimated manpower. Mr. Bruce is managing this programme, and I suppose he's finding ways of trying to get along with fewer people, which I think is commendable.

**Mr. Robbins:** The agency staff is on almost the same basis—a full year's salary for some and nine months for others.

**Mr. Shore:** On the basis of a full year's staff of 75 it averages out to \$20,000 per person. Is that right?

**Hon. Mr. Handleman:** You have to take the board members out of that. The board members are not staff; they're on a per diem.

**Mr. Shore:** They're not part of that 75?

**Hon. Mr. Handleman:** No.

**Mr. Shore:** Oh, I'm sorry. Okay. But they're part of the \$1,512,000. Is that correct?

**Hon. Mr. Handleman:** Yes.

**Mr. Shore:** How much is included in the \$1,512,000 for the board members?

**Hon. Mr. Handleman:** I don't have it broken down. I don't know if Mr. Bruce can tell you that or not. We have no way of knowing how many appeals there are going to be.

**Mr. Shore:** I appreciate that, but there must have been some allocation of dollars for it.

**Mr. J. K. Young:** If it would help to save time, we could go right through it with you as to our estimates. They're only estimates; we really can't tell how many hours and how many appeals there will be. But we'd be glad to give you all the details.



**Hon. Mr. Handleman:** The work sheets can be made available, I'm sure that Mr. Vetere can show you the work sheets.

**Mr. Robbins:** There is one point of confusion that may be in here; that is, the budget was based originally on full-time board members.

**Hon. Mr. Handleman:** We decided they should be part-time.

**Mr. Robbins:** That's been modified. So there's very little relationship, particularly in the case of the board, between those figures as they were originally budgeted and maybe what's going to actually happen under the circumstances.

**Mr. Shore:** Without going to work sheets, surely you can tell me how much has been budgeted for the board members.

**Mr. J. K. Young:** Yes, we can tell you that; we have it here. It will take a little bit of digging. Maybe it would be helpful to you if we gave you the whole thing at your leisure and then you can go over your calculations.

**Mr. Shore:** Yes, I wanted it for the records. While I'm asking the next question, if you can just tell me roughly what the amount is for the staff, all I really want is one figure. How much have you allocated in this \$1,500,000 for board members' honorariums or whatever they are?

**Mr. Chairman:** You can't do that—

**Mr. Bruce:** I don't have that information at the moment.

**Hon. Mr. Handleman:** The amount that's going to be in there is the amount budgeted or estimated for full-time board members as originally anticipated by the Ministry of Housing. It is obviously going to be well in excess of the amount that's actually going to be spent.

**Mr. Shore:** The next question on the estimates is transportation and communication, what is that principally?

**Hon. Mr. Handleman:** Travelling expenses; telephone; telegram.

**Mr. Shore:** For what—the review board?

**Hon. Mr. Handleman:** Yes, for the board.

**Mr. Shore:** To have the hearings in the various communities, is that right?

**Mr. Bruce:** Yes. The Act provides that the hearings have to be in the region of the prov-

ince in which the premises are located. The province, as you know, is divided into seven regions.

**Mr. Shore:** All right. Under administration, what is the \$839,000 made up of?

**Mr. Bruce:** I don't think I'm looking at the same—

**Mr. Robbins:** Salary and wages, under administration?

**Mr. Shore:** That's right.

**Mr. Robbins:** That's salary and wages for the head office staff of the rent review programme. I should be able to give you the numbers here. That's 25 unclassified staff and—

**Mr. Shore:** Give me an example: Are you considered unclassified staff, Mr. Robbins?

**Mr. Robbins:** No; I'm a civil servant who has moved into the programme. There was one exception to what the minister said and that's me, I guess. I'm the only civil servant on the programme.

Unclassified staff is a contract person who has a one-year contract with the government; is not part of the civil service and doesn't utilize a complement position within the civil service.

**Mr. Shore:** Can you give me an example of that type? What does that type of person do under administration?

**Mr. Robbins:** We have a systems coordinator who has designed the information systems and the various report formats we have. We have a statistician who collects and manipulates the figures reported on the processes from the rent review decisions and this type of thing. We have a staffing control officer who is responsible for interfacing with Drake Personnel on the personnel problems which arise.

[We have a number of people in the personnel department within the ministry who are and have been avidly recruiting rent review officers to man the programme. We have a co-ordinator of policy development. We have several people on the administration side of the programme who are responsible for controlling expenditures and approving invoices and this type of thing.

**Mr. Shore:** That's 25 unclassified and what else is there?

**Mr. Robbins:** A total of 53 agency staff, Office Overload staff.



Mr. Shore: What do they do?

Mr. Robbins: Keep in mind that we don't have 53. That's what is in the budget but we haven't gone necessarily—

Mr. Shore: Okay. How many have you got now?

Mr. Robbins: In that staff we have 37 of the 53.

Mr. Shore: Are you gearing up for 53?

Mr. Robbins: It's unlikely that we'll get to 53. We may go beyond 37 but I don't think we'll go much beyond 37.

Mr. Shore: What do those people do?

Mr. Robbins: They're more clerical-oriented positions—secretaries, filing clerks, that type of individual.

Mr. Shore: Is that the staff then, 73, totaling \$839,000?

Mr. Robbins: It was a total of 53 and 25, for 78.

Mr. Shore: That totals the numbers anyway; is that right?

Mr. Robbins: Should do.

Mr. Shore: Okay. What is services? What's included in services for \$1.2 million?

Mr. Robbins: It is \$1,244,500. We have publicity for \$164,700; staff recruitment at \$11,400; equipment rental at \$12,500; equipment maintenance at \$4,300; rent for the various offices at \$199,700.

Mr. Shore: On this rent, what did you do? Are you on leases or month-to-month? What is the situation?

Mr. Robbins: Leases.

Mr. Shore: What, one-year leases?

Mr. Robbins: They vary. The Ministry of Government Services has negotiated them. They keep track of leases and are responsible for providing accommodation for all the ministry's programmes. They've negotiated what they could with the various landlords of the premises we have. I doubt if we have any shorter than a year.

Mr. Shore: How many have you that are longer than a year?

Mr. Robbins: I don't know. Do we have that information here?

Mr. Shore: You don't have it?

Mr. Robbins: We don't have it here, no.

Mr. Shore: I'd like to have it. What are some of the other bigger items there?

Mr. Robbins: The next large one is the agency staff costs, \$679,000.

Mr. Shore: What does that mean?

Mr. Robbins: That is a transfer payment to Office Overload.

Mr. Shore: That's the cost for recruiting these people, is that it?

Mr. Robbins: No, that's the cost of having those people with us. In other words, because personnel are supplied by Drake, it comes in under a service.

Mr. Shore: Wait a minute; hold on.

Mr. E. H. Johnston: Yes, that's Office Overload. We pay them by invoice.

Mr. Robbins: For people?

Mr. E. H. Johnston: Yes, we pay them their salary by invoice.

Mr. Shore: So 78 people are included in the \$839,000?

Mr. E. H. Johnston: Yes, that's right.

Mr. Shore: Then what do these people do; the ones you're buying from Office Overload for \$679,000?

Hon. Mr. Handleman: We keep them out in the field.

Mr. Shore: Pardon?

Hon. Mr. Handleman: These are the fees that are paid.

Mr. Shore: I'm waiting.

Mr. Robbins: The question was: What is the \$679,000?

Mr. Shore: Yes.

Mr. Robbins: That's a payment to Drake for the supply of their personnel.

Hon. Mr. Handleman: It's not salaries, it's fees. Salaries are in salaries. These are fees paid to Drake Personnel.

Mr. Shore: With the greatest respect, that's what I just got finished saying three minutes ago, and one of your officials answered differently. Therefore, I then asked: What



is it? Really, with the greatest respect, Mr. Minister, that's what I said.

**Hon. Mr. Handleman:** It's fees.

**Mr. Shore:** Okay, you'd better get together on this, because you're going to confuse me. Is it fees or is it not?

**Mr. Moffatt:** Why don't you ask him how much is paid to Drake?

**Mr. Shore:** If you tell me, Mr. Chairman, to whom I should direct the questions, I should be glad to start there.

**Mr. Chairman:** You always start with the minister, through the Chair, and then work up.

**Mr. Shore:** All right. I'm starting with the chairman again. Could I ask what the \$679,000 is that Mr. Robbins referred to a moment ago?

**Hon. Mr. Handleman:** My assumption is that anything in services are fees paid for particular services.

**Mr. Shore:** All right. Assuming it's fees—

**Hon. Mr. Handleman:** No, I think he should confirm that before you carry on.

**Mr. Shore:** Let's have it confirmed then.

**Hon. Mr. Handleman:** Is it not fees?

**Mr. Robbins:** It's fees for services.

**Hon. Mr. Handleman:** Sure.

**Mr. Shore:** What service do you get for \$679,000?

**Mr. E. H. Johnston:** Clerks, typists and the supplying of same.

**Hon. Mr. Handleman:** It's the management of those contracts.

**Mr. Shore:** It's the management of that group of 78 people that you just told me about? Gee, I don't know what's so difficult about this.

**Hon. Mr. Handleman:** It's the management of that group of people, who are employees of Drake Personnel and supplied to us. These people are paid by Drake Personnel. They are not in this vote. These are the field officers; the clerks, the receptionists, all of the people in the rent review offices who are employed by Drake Personnel. We pay Drake a fee which comes out of the headquarters vote, which is \$600,000.

[8:30]

**Mr. Shore:** They've got to be in someplace. Are they in the operations section then?

**Hon. Mr. Handleman:** Oh, sure.

**Mr. Shore:** If it's services rendered by Drake Personnel it's for people they are hiring on your behalf?

**Hon. Mr. Handleman:** Yes.

**Mr. Shore:** Okay, so it's easy—

**Hon. Mr. Handleman:** No, they are hiring people on their own account to work in our offices. They are not our employees. In other words we are not using Drake as an employment agency to find people to become our employees. The people who are working for Drake are Drake employees.

**Mr. Shore:** Right.

**Hon. Mr. Handleman:** Okay? There is a management fee paid to Drake for managing that whole personnel function out there.

**Mr. Shore:** Okay, then is it the fee that you are paying them or does it include the salaries they are paying their people?

**Hon. Mr. Handleman:** Oh, no. That's the fee. The salaries for those people out there—

**Mr. Shore:** Where is the salary shown for those people?

**Hon. Mr. Handleman:** Ask Mr. Johnston.

**Mr. E. H. Johnston:** That's in the operation.

**Mr. Shore:** That's what I say. It's going to come up when I come to the operation, is that what you are saying?

**Hon. Mr. Handleman:** That's right.

**Mr. Shore:** All right. Finally we got there. So you're paying them \$679,000 strictly for services rendered.

**Mr. Moffatt:** Excuse me, Mr. Chairman. I think that there is a tremendous amount of confusion here and I don't think the last statement made is correct either. Half the people at the back of the room were saying yes and the other half were saying no.

May I suggest that the original offer by the minister to supply a breakdown, with statistics on paper that we can decipher, might be a better way to approach this whole question. We're obviously getting nowhere.

**Mr. Chairman:** How do you propose that be done? On the spot?



**Mr. Shore:** I respect Mr. Moffatt's observation. On the other hand, I think it would be not unreasonable to assume that this information should generally be available. I feel the questions I'm asking aren't far reaching, it's just that the information isn't available.

The reason I'm saying this is that since tonight is hopefully the last of this vote, there may be a second question come out of the answer that I get and therefore to hold this off is not fair either. So—

**Mr. Chairman:** The chairman's suggestion, Mr. Shore, is that we go on to your next series of questions, if you have them—

**Mr. Shore:** That's good. That's fair enough.

**Mr. Chairman:** —while the ministry gets ready to answer that particular one.

**Mr. Shore:** That suits me.

Can I move to the operational aspect for a moment?

Mr. Chairman, who is going to handle that on behalf of the ministry[

**Mr. Chairman:** The minister will answer.

**Mr. Shore:** All right. Salaries and wages for \$2,318,000. Can I have an idea what that is?

**Mr. Robbins:** I must admit I am confused by these figures myself. The figures on your sheet and the figures in this book seem to have a bit of a gap between them, but I'll take a crack at this one too.

**Mr. Shore:** As long as we're reasonably close, I don't mind. As long as we're talking about the same subject, that's really all I'm interested in.

**Mr. Robbins:** Well, I don't know.

**Mr. Chairman:** Sometimes the way the ministry sets up its figures their own votes are not in line.

**Mr. Robbins:** Here we are. That should be for 149 unclassified staff.

**Mr. Shore:** Now does that include the rent review officers?

**Mr. Robbins:** That includes the rent review officers, yes.

**Mr. Shore:** Is that the total? Is that what \$2,318,000 is made up of?

**Mr. Robbins:** Yes, and that includes a budget for the ultimate number of rent review officers.

**Mr. Shore:** Which is 149? Oh, that includes them, okay.

**Mr. Robbins:** It should be about 134, I think. I can't find it in these sheets but that's what it should be.

**Mr. Shore:** But the total number of people in that \$2,318,000 is 149?

**Mr. Robbins:** One hundred and thirty-four, I believe.

**Mr. Shore:** One hundred and forty-nine, of which 134 are the review officers, is that it?

**Mr. E. H. Johnston:** There are 101 review officers.

**Hon. Mr. Handleman:** Some of them are information officers, some of them are—

**Mr. E. H. Johnston:** This is the total staff for the operation.

**Hon. Mr. Handleman:** Total staff in the field, working on rent review.

**Mr. Shore:** Now, what does services include for \$5 million?

**Mr. Robbins:** Let me jump to the figure. Are you interested in the agency staff figure in particular?

**Mr. Shore:** I'm sorry, which section is that under?

**Mr. Robbins:** That's under services.

**Mr. Shore:** Under operations, I'm interested in the \$2.3 million and what it is made up of.

**Mr. Robbins:** The agency staff costs I have in here are \$3.9 million.

**Mr. Shore:** Is that under services?

**Mr. Robbins:** That's under services. That's the main vote.

**Mr. Shore:** We're finished with the salaries and wages. That's 149 people. Is that right?

**Mr. Robbins:** Right.

**Mr. Shore:** Now we're in services. What was the big one in services?

**Mr. Robbins:** Agency staff costs at \$3,901,700.

**Mr. Shore:** What does that mean?

**Hon. Mr. Handleman:** That's for the salaries of the Drake Personnel people out in the field.



Mr. Robbins: That should be for 373 agency staff.

Mr. Shore: Hired by them for you?

Mr. Robbins: In the field.

Mr. Shore: Okay. And that's what you're paying the \$679,000 for?

Hon. Mr. Handleman: Ask Mr. Johnston.

Mr. Shore: Mr. Johnston.

Mr. E. H. Johnston: It was \$3,901,000 for that.

Mr. Shore: Instead of \$3.1 million, it should be \$3.9 million?

Mr. E. H. Johnston: Right, \$3,901,000.

Mr. Shore: In the \$5 million, \$3.9 million is for agency staff?

Mr. E. H. Johnston: That's right.

Mr. Shore: And that's made up of approximately 373 people?

Mr. E. H. Johnston: Right.

Mr. Shore: It's for that figure and for that service, for the one-year term or less, whatever it might be, that you're paying \$679,000?

Mr. E. H. Johnston: That's what they tell me.

Mr. Shore: That's what they tell you. Who tells you?

Mr. E. H. Johnston: That's what the figure here is, yes.

Mr. Robbins: Where did the \$679,000 come from? Are you going back to the administration now?

Mr. Shore: Yes. You told me under—

Mr. J. K. Young: In the previous section, the member indicated that there was \$679,000 for services. We indicated to him that it was to pay for supplying the people under operations. Now we're into operations, and you're telling him who these people are and how much it costs. Is this right, Mr. Shore?

Mr. Shore: That's what I assume they're telling me.

Mr. J. K. Young: Now he has asked the question, was the \$679,000 to pay for services and the \$3 million under operations to pay salaries and I think that's a very legitimate

question, incidentally, and we'll get the answer.

Mr. Shore: Thank you very much.

Mr. J. K. Young: Is that right, what I just said?

Mr. Shore: Thank you very much.

Mr. Moffatt: I'm not sure what the answer was, because—

Mr. J. K. Young: What I said was the answer, as far as I can gather; I got acquiescence from this end of the table. Is that right, Ted?

Mr. E. H. Johnston: Right.

Mr. J. K. Young: Okay.

Mr. Shore: That satisfies me.

Hon. Mr. Handleman: The fee of \$600,000 paid to Drake Personnel is for those people who are employed both at head office and in the field, whose salaries in here are approximately \$4 million. We never did find out how many of them are at headquarters under Drake Personnel, but there are a few of them.

Mr. Moffatt: But that \$679,000 does not include any wages. It is simply Drake Personnel's commission for recruiting staff.

Hon. Mr. Handleman: It's not a commission; it's a fee paid to them for management. It's not based on salaries; it's not a commission.

Mr. Shore: Thank you. That's approximately \$4 million. Could I ask roughly what the other \$1 million is under services?

Mr. Robbins: Under operations, eh?

Mr. Shore: Yes.

Mr. Robbins: There is \$328,800 for equipment rental, \$15,200 for equipment maintenance, \$761,200 for rent—

Mr. Shore: Hold on. Excuse me, you gave me a rent figure of around \$200,000 in the other section.

Mr. Robbins: In the administration section?

Mr. Shore: In the administration section. Now you're giving me another rent figure of \$761,000.

Mr. Robbins: For the field offices.

Mr. Shore: Yes. Could I ask how many locations there are in that \$761,000, are they



on, leases and to what extent are the leases longer than one year?

**Mr. Robbins:** There are 28 locations, they are on leases and we'll have to get you the figure for how many are over one year.

**Mr. Shore:** You say 28 locations.

**Mr. Robbins:** There are 28 in existence now. The budget actually anticipated 36.

**Mr. Shore:** Okay. And you'll get the information as to what extent any of the leases may be longer than Aug. 1, 1977?

**Mr. Robbins:** Yes.

**Mr. Shore:** And the same for the other one, too?

**Mr. Robbins:** I'll make a note to get that.

**Hon. Mr. Handleman:** The Ministry of Government Services leases all the space. We tell them what our requirements are and they go out and obtain the space.

**Mr. Shore:** In your requirements, do you give them some direction?

**Hon. Mr. Handleman:** We tell them when we need it; how long we need it for; what size we need; the approximate location; how many parking spaces; etc.

**Mr. Shore:** Was your direction as to how long you needed it for to Aug. 1, 1977?

**Hon. Mr. Handleman:** We tell them the length of the programme.

**Mr. J. K. Young:** We sit down with a typical floor plan.

**Hon. Mr. Handleman:** In many cases, they may be looking—I don't know, I am just going to guess—they may be looking at space which they can get at an advantageous rent and which they are going to need eventually for some other use. Our terms are that it ends on Aug. 1, 1977.

**Mr. Shore:** Quite.

**Hon. Mr. Handleman:** Not all the leases run out on exactly the same day.

**Mr. Shore:** Pardon me?

**Hon. Mr. Handleman:** When you are negotiating with a number of landlords it is difficult to get them all to run out on the same day.

**Mr. Shore:** I think that is a very valid statement. All I am asking for is the information.

**Hon. Mr. Handleman:** We will get it for you.

**Mr. J. K. Young:** When we do specify to them what we want they tell us how much that is going to cost.

**Mr. Shore:** Right.

**Mr. J. K. Young:** That's what we put in our estimates.

**Hon. Mr. Handleman:** I don't think we would put anything in our estimates beyond our programmes. If there is a lease which goes beyond the deadline of the date they would have to bear that.

**Mr. Shore:** That's fine, but it is still a cost to the Province of Ontario.

**Hon. Mr. Handleman:** Sure.

**Mr. Shore:** I would like to have that information whether or not you've got it in your budget.

**Hon. Mr. Handleman:** We'll get it for you.

**Mr. Shore:** Okay. Thank you very much, Mr. Chairman.

**Mr. Chairman:** The speakers are as follows—Mr. Moffatt, Mrs. Campbell, Mr. Good.

**Mr. Moffatt:** Mr. Chairman, a number of questions I wanted to ask were asked by the previous interrogator. I was going to go into the Drake Personnel thing so I am glad he got to that after.

First of all, I would like to say that there are a lot of assumptions being made about the rent review programme by the minister, by other members of cabinet, by members of the opposition and the Liberal Party. I think a lot of the observations are based on wishful thinking rather than on observation at all. The minister who, I think, should be here for these estimates as well as you, is the minister who steered some of this through the House. Obviously there are times when we are running into at least necessary points of clarification.

I think the minister's stated bias against any kind of rent review or control—valid, given his political philosophy and so on—is perhaps giving a little more shade to the operations of rent review and its potential for success. I think the statements by Mr. Shore and other people about the bias of the rent review programme toward tenants and against landlords has an effect. I suspect that the bias of the speaker for our party normally in rent review—



**Mr. Shore:** Excuse me, on a point of personal privilege, during the whole time I spoke here I did not state—I think it was Moffatt who used the word bias, if I can use the last word in the right way. I was seeking information throughout this whole process.

**Mr. Chairman:** Mr. Shore, you were very clear and very definite with respect to your neutrality.

**Mr. Shore:** Right, thank you very much. I appreciate that.

**Mr. Drea:** Oh, come on.

[8:45]

**Mr. Moffatt:** Given the previous speaker's content of his remarks, it is obvious that there are some areas where bias is showing through.

It seems to me, too, that the content of Mr. Cassidy's remarks, from time to time, indicate a bias on the other side of rent review which is having an effect. I think we would all be much further ahead, and I know certainly landlords and tenants to whom I have spoken would be a lot further ahead if everybody would stop prejudging the programme as being an utter success or an utter failure before it has had a chance to even get going. I think then the programme might have a chance to work.

I want to read into the record a few examples of cases which have come to my attention and relate a few of the items in the hope that the minister will respond in a sort of general fashion.

I think the rent review programme is working in different ways in different offices, depending upon the people who are in charge of those offices. It seems to me that one of the things that has been a problem is the fact that the people who are currently rent review officers, if you check the list, are preponderantly people who are involved actively in the real estate and development fields. The explanation given is that those are the only people who had any understanding of this kind of programme. I don't think that's a valid requirement at all. I think your people would have been far better to have gone to an actuarial sort of person rather than to a person actively promoting real estate and development.

**Mr. Shore:** Like someone selling life insurance?

**Hon. Mr. Handleman:** It's got nothing to do with life insurance.

**Mr. Drea:** A shop steward?

**Mr. Moffatt:** Somebody who has had some experience in dealing with statistics on a relative basis rather than dealing with the mortgage markets and so on, I think might have been a far better choice. That's a general comment.

I believe, though, that there are some people who have been able to make the programme work. I think that what has particularly turned some people off rent review is that no one really knows what to expect at the hearings. In some cases we go into rent review hearings, with a full set of statistics having been made available to the tenants from the rent review office two or three weeks ahead of time. The tenants can then go through the documents and find out if there are areas where they'd like to challenge the statistics and find out if there are logical arguments to be posed against the rent increase. That, as I say, happens in some cases.

In other cases, people go into a rent review hearing without having had the benefit of the material. There are a number of instances where the landlord has walked in with information on the day of the hearing and given it to the rent review officer and it has been included in the hearing. If that is happening in a number of cases, I think that should end. I don't think that's logical or fair. In one rent review hearing I attended last week, that indeed was the case. There was a great deal of data submitted by the landlord and when he showed up at the hearing with his five people to speak for him he had a whole new set of data to provide; that was included in the hearing, I guess. It was accepted by the rent review officer and apparently will be included in the decision. I don't think that's accurate. If that data has not been submitted within the two-week period before the hearing, then it should not be included at the last minute. It does not give the tenants a fair chance to pose a logical argument.

The items which are included in the cost-revenue statement by the landlord are at times subject to question by the tenants; at some hearings the tenants are given answers and at other hearings they are told this is not a part of the process. In one hearing where I acted for a group of tenants we used the information that the upkeep of the building was not at the standard it had been six to eight months or a year earlier. We used the fact that the snow had not been removed from the parking lot. We used the fact that the washers and dryers were not now in an operating condition. All of those were reductions in services and therefore rent increases.



**Mr. Drea:** They're more respectful when you were there.

**Mr. Moffatt:** I didn't want to say that, Mr. Drea, but I'm afraid that's what's happening. When the tenants have representation, either a member of the Legislature, a local attorney or some person—

**Mr. Drea:** No, no. A member of the Legislature.

**Mr. Moffatt:** —that there is a good deal of respect shown to the tenants' presentation. When the tenants go in by themselves, there is no such respect shown. I think that leads to a breakdown in the system which is dangerous to the whole process.

**Hon. Mr. Handleman:** Mr. Chairman, I hate to interject myself on questions of privilege, but I think that's a pretty broad generalization without any evidence to back it up. Somebody has told you this and you are repeating it here as fact.

I'll show you dozens of letters I've received from tenants who have thanked our rent review officers for their courtesy, their patience and the way that they have handled the hearings. I think this is really a very damaging generalization to make about a bunch of fairly dedicated people who are working hard in the service of this province.

**Mr. Shore:** You are showing your bias.

**Mr. Moffatt:** Mr. Chairman, I make no pretence about my biases, I think the rent review process should work on behalf of tenants.

**Mr. Gregory:** How about landlords?

**Mr. Moffatt:** I think the rent review process should work on behalf of tenants.

**Mr. Gregory:** Wow.

**Mr. Moffatt:** I make no pretensions about my bias.

**Mr. Drea:** Wow. Wow. All the way through—wow.

**Mr. Chairman:** Gentlemen, gentlemen. I don't mind you squabbling among yourselves but Hansard has a hell of a time.

**Mr. Moffatt:** Mr. Chairman, I'd like to respond to the suggestion by the minister that I'm making sweeping generalizations. I am not attempting to say that that happens in all cases, but I can cite for the minister some examples, specifically of hearings where exactly what I have been describing has taken

place and I don't think that they should continue. Even if they happen twice that's too often.

I can quote you a rent review hearing in Mississauga. The tenant who complained to me was a chap named Larry Taylor; the meeting was arranged at 3 o'clock. At 3 o'clock sharp the doors were locked. Any tenants who arrived late had to knock, wait, identify themselves, etc. Taylor said it spooked the first part of the meeting because it made it so official.

**Mr. Drea:** Well, why not?

**Mr. Moffatt:** The physical setup didn't help because the landlord sat at the front—

**Mr. Drea:** Why not, we have the same vote in here. Why not?

**Mr. Moffatt:** —with the rent review officer. The landlord arrived with material in hand. The officer asked why he hadn't filed it earlier. The landlord said the stuff must have got lost in the mail and the hearing then proceeded.

The landlord presented his facts and figures. Mr. Taylor said he was not at all prepared. He contradicted himself constantly with respect to a particular figure included, of what the interest rate he was paying on a mortgage was, he had incomplete data. For example, he couldn't remember what interest rate he was paying on a \$1 million loan, he changed his stories all the way through. Tenants were then asked for their response. Taylor says: "Just about everything they brought up was called irrelevant by the rent review officer because it involved maintenance or condition of property."

That's in contradiction to the experience I had in Oshawa, where the rent review officer, when I was there, did allow condition of property as a reduction in service and therefore an increase in rent. If you want, Mr. Minister, I can cite some more, although it may not be worthwhile.

**Mr. Drea:** I would think the thing you want to submit is whether you appealed them or not.

**Mr. Moffatt:** I don't think the hearings have been decided yet so no one really knows what's going on. I'll quote one more. Mr. and Mrs. Brown in Flemingdon Park—a large building—the hearing was April 21, there is no decision handed down yet. The landlord asked for a 33 per cent increase. The rent review officer was so anti-tenant and so rude to people when they tried to find out informa-



tion that several of them left part way through the hearing.

He emphasized many times, as the tenants were trying to make their points, that he was only interested in how the landlord pays the five mortgages that he is carrying. Mrs. Brown asked several questions about snow removal costs, maintenance costs, etc., and the rent review officer said, "One more question from you and I'll throw you out." That's a direct quote. He also said that he was not interested in any of the points the tenants were making, and he referred back to the five mortgages.

I think that's wrong and I don't think the people in the rent review programme think that's the way it should run, but somewhere between your office and out there there is a change that goes on and the programme becomes skewed. Mr. Shore was concerned about the skewing of the programme with regard to some of the data that landlords had to submit. The question of an accountance of—what was the word he used? The data that had to be submitted.

**Mr. Shore:** Audit.

**Mr. Moffatt:** An audited statement. The problem with an audited statement, obviously—and most rent review officers I gather are not asking for them—is that for a great number of the cases the landlords have, for a number of years, blocked all of their holdings together. They've got two or three apartments, they've got some country properties, some development properties, some lots somewhere, and that's what their audited statement shows. Obviously they have not separated out the actual and real costs of running any one of the buildings.

Some of the landlords in my area—and I do go and talk to the landlords, because I think they have a right to a fair shake in this whole deal—

**Mr. Gregory:** Are you serious?

**Mr. Moffatt:** I certainly am serious, but what I have found is that the landlords who have been running a legitimate business and only engaging in that particular part of it, don't have any—

**Mr. Drea:** Like the Mafia collecting on a loan. It's very just.

**Mr. Moffatt:**—real complaint about rent review as it is working for them now. They see the way it works. They gripe about the mountain of statistics they have had to prepare for the first time. The people who are

having real difficulties are those who have never had adequate books before, and those are the ones we are hearing from all of the time, who are griping about the work that has to be done. The work that has to be done by the landlords in preparing this is almost equal to the amount of work the tenants have to do when they go to prepare for a hearing. The tenants are still not allowed to photocopy any of the material. That's by directive from your office, Mr. Robbins, I gather?

**Mr. Drea:** No.

**Mr. Moffatt:** Well I have a copy of a directive from that office.

**Mr. Drea:** A directive of the Legislature. We went through that one, my friend. If you were around one night you would have gone through that.

**Mr. Moffatt:** Mr. Chairman, the directive exists that—

**Mr. Drea:** By the Legislature.

**Mr. Moffatt:**—photocopying of any material and multiplying of the documents for the tenants' convenience is not to be done. That is causing some difficulty. Whether that's the right thing or the wrong thing, it is simply making the whole process more and more confusing right now. I would seriously hope that your branch will give some consideration to making one additional copy available to one of the tenants so that it can be taken out of the office, instead of laboriously copying down by hand for three or four hours all of the figures on that statement. That is causing some difficulty.

That is a particular difficulty because the rent review offices close at the regular office hours, and for people who have to go and copy down that material to take time off work or do it on their off-shift or something else, when they should be sleeping, really doesn't solve the problem. If we can make some accommodation there, I think maybe it will make things easier for the tenant who will be better prepared, and if you check into some of the proceedings at the hearings I am sure you will find that when the tenants are well prepared, with accurate statistical data, the rent review hearing goes much more speedily and it comes to a more amicable decision.

We don't find the fights and battles if everybody understands what the figures are, but as soon as figures are changed or altered, or somebody doesn't believe that the figures were in, that's when you get this distrust of the whole process. I really submit that it



would speed up things for you if that were made, in some fashion, to be a more accessible sort of process.

There is a number of points that I would like to have some clarification on as to direction. In one hearing where I appeared for tenants, we were told that because the landlord had put in only about \$10,000 of his own money in a \$1,900,000 building, he was not going to be allowed to claim interest on all of the mortgages, some unsecured apparently. He had a \$600,000 loan which was not registered against the property and he attempted to include the 12.25 per cent interest from that loan as a pass-through cost. The rent review officer would allow him only 85 per cent of that \$600,000.

**Mr. Shore:** You're kidding?

**Mr. Moffatt:** That's a fact. I just wonder why that 85 per cent figure came in and where you got it from. I think in this particular case that was a fair thing to do, because I just suspect that \$600,000 did not go into the purchase of that building, it went into a variety of holdings, but because it was not registered on the deed at all—we checked the deed very carefully and it was not registered—where did that 85 per cent come from? Is that out of the air, or did somebody else give you that? Maybe it should be higher. Maybe it should be significantly lower. Maybe you should be required to have 30 per cent equity in a building of your own before you can pass along any of those charges.

[9:00]

I wonder if a copy of the minutes of the hearing can be made available on request to tenants after the decision is handed down. If they wish to appeal, sending the minutes of the hearing to the landlord and the tenants' representative might well be important material to have in the event of an appeal.

A number of tenants across the province—and I am simply asking this question for information—fervently believe that the rent review officers are, in fact, landlords on leave, or agents—

**Mr. Drea:** Come on, come on.

**Mr. Gregory:** You said it wasn't factual.

**Mr. Moffatt:** I said I am asking for information and what I would like to ask, Mr. Minister, is if you have taken any steps to ensure that there is no conflict of interest between the rent review officers' duties as rent review officers and their previous jobs?

**Mr. Drea:** There is a hell of difference in the question.

**Hon. Mr. Handleman:** I think, first of all, the statement again—

**Mr. Moffatt:** I said that a number of tenants fervently believe that.

**Mr. Drea:** Oh, yes.

**Mr. Moffatt:** They fervently believe it.

**Hon. Mr. Handleman:** Despite the fact that your housing critic asked us to table in the Legislature whether or not there was a single review officer who was a landlord and we said no, there are none who are landlords in any shape, form or way. We have discharged people who have come on staff. We are faced with lawsuits because of it. I hope that you and your colleagues will appear in court on our side—

**Mr. Drea:** No, they won't.

**Hon. Mr. Handleman:** No, they won't; because we might be doing the right thing. I am deeply concerned that you make, again, a broad generalization on the basis of two hearsay stories that have been told to you. I could find 50 of those and I can also show you 50 landlords who have come in and said, "The rent review officer told me to shut up and sit down." The rent review officer is trying to conduct a hearing in an orderly fashion.

I have been to a couple and, so help me, I would have thrown every tenant out on his ear. They simply would not behave. They wanted to make it a fight. They wanted to make it World War III instead of sitting and calmly discussing the issues. I am not saying there's blame on one side, but I think you have to accept that the rent review officer is trying to conduct an orderly hearing. It is not a union meeting. It is not a place to fight. It is a place to sit—

Interjections.

**Hon. Mr. Handleman:** It is a place to sit and calmly discuss a financial issue, and that's what it's for. A couple of people in Mississauga, in Flemington Park or wherever they are, told you that they were treated rudely. I don't doubt it at all. I wouldn't deny it. I would like to know how they behaved in the hearing. Of course, they are all angels, I know that, including some of the landlords who have claimed this. We had a letter from a lawyer who is a landlord who threatened to sue the rent review officer



for rudeness and being curt. This is happening to both parties, and I think if they learn to behave we will have much better rent review hearings.

I just don't understand how on earth it is that you can stand there and say that the whole thing is biased against the tenants. You have a bias that the programme should work for tenants. It is designed to be a rent review process, which means that rent increases are to be phased in gradually. You talked about my bias against the programme—I mean I can't blame anybody for taking that out of what has been quoted. I have said and I will say it again, and I will say it right here, that I have a bias against long-term rent controls. I think they are completely counter-productive to the housing needs of this province and always have been. There's nothing new about this. I said it before I got this responsibility and I will continue to say it.

I say they satisfy a short-term need and the longer they are in place, the worse it is going to be for the tenants, not the landlords; the tenants will be the chief sufferers in a long-term control programme, as they have been everywhere else in the world. The Swedish tenants association has begged the Swedish government to take rent control off. They finally got their way, after having 30 years of control. Not the landlords; landlords are quite happy with it. They are practically guaranteed increases.

So I am saying that I have a bias against long-term controls. I repeat it over and over again. I think it's terrible but it satisfies a short-term need. We had situations where, without rent control, some landlords were taking advantage. They were gouging, and that's the step that we have to take in the future and I still think the kind of control programme that we have now will not serve that purpose. We have slowed down rent increases in this province. I say it has worked well.

I say the average rent increase is far less than the figures Mr. Robbins gives you, because what he has given you are the rent increases coming out of rent review hearings. I think you have to accept the fact that there are many rent increases which are not going to review which are less than eight per cent. They are not included in our figures because we don't have them. The average is down closer to seven or eight per cent in this province, and I will tell you that's a pretty good achievement in a few months.

**Mr. Shore:** You just have to be a little careful of your facts. You don't know what the average was across the province for the year before rent review. Admit that you don't know what the average was across the province the year before. What was the average?

Interjections.

**Mr. Drea:** Mr. Chairman, I would like to raise a point of order. I have been with you on committees where you have been the chairman, and you have given the greatest of leniency. But, with all due respect, I tell you that I am getting a little bit tired of this nonsense. I told you this the other night, and I would have hoped you would have listened to the lesson. I am getting a little bit tired of this thing, whereby you can throw out anything in the committee, you can pillory anybody, you can crucify anybody and that somehow the Chair at the end of the time, says we really shouldn't have discussed it.

I am suggesting to you, Mr. Chairman, that you are now chairman of the committee—and I repeat myself from the other night; you were around the other night—and when this kind of thing comes up let's call a halt. You have been around for a long time; you know exactly what is coming forth. Use your gavel. If you don't want to use your gavel, then for heaven's sake quit as chairman of the committee.

**Mr. Chairman:** Mr. Moffatt, please.

**Mr. Moffatt:** Mr. Chairman, I think that what the minister has just said is something that needs to be said a lot more often. I think we should all be talking about the way in which rent review is working rather than all of the negative aspects. That's what concerns me about all of the criticism and that is what I said in my opening remarks—

**Mr. Drea:** Why don't you try right now?

**Mr. Chairman:** Would you stay out of it, please? You are the one who is disrupting everything.

**Mr. Drea:** Yes. And you may not be the chairman again because you don't qualify.

**Mr. Chairman:** And you may not be a parliamentary assistant in the House because you don't. Let's get on with this committee.

**Hon. Mr. Handleman:** Mr. Chairman, there was a question asked about the 85 per cent on the—



**Mr. Moffatt:** There were a number I put in, Mr. Minister. I have several more questions; maybe you'd like to leave those until later.

**Hon. Mr. Handleman:** Okay. Fine.

**Mr. Moffatt:** The next time I make a generalization to which you object you may—

**Mr. Drea:** Maybe the chairman should try it. It might be a novel experiment here.

**Mr. Chairman:** Let's get on with the work of the committee.

**Mr. Moffatt:** The point I raised earlier which caused so much ire, the charges of conflict of interest, is one that I think needs to be cleared up, aired publicly and straightened out so that we can get beyond the nit-picking stage. In conversations with the rent review officers and, as I said earlier, with landlords and tenants, there are a lot of positive things that are happening with rent review that are being ignored because of all the flak, with people trying to grind one axe or another. I think that if we look for the positive aspects we can probably come out ahead on this whole programme.

The rulings of the individual court were alluded to earlier in Mr. Shore's remarks, so I won't go into that at this time. I wonder, though, if a change in direction maybe is necessary in your manual or whatever is being used to direct your rent review officers with regard to this whole question of allowable pass-through of costs. It is taken for granted that if a person is coming off a one-year lease, or off a two- or a three-year lease, there is a different amount of money which can be passed through because of the loss incurred in the previous years. In talking with a couple of rent review people the other day, they suggested that may not be a good way to look at that whole picture. Instead of looking backwards, we should be trying to anticipate what those problems are going to be on the basis of local increased costs. Obviously there are energy costs, maintenance costs and so on, and some of those figures are available in statistical form; so instead of trying to relate everything to what happened two years before or one year before, and gearing the amount of increase to what has been a short-fall in the past, we might be far better to start at the day that the rent review programme came into being. I am not totally sure of how that should be done, but I just think we are getting into some difficulty with that one-, two- and three-year lease business, and maybe a slight alteration in policy could clarify it.

Another area which I think really does require some considerable thought is the whole business of amounts of money charged to the building in the form of interest in light of the fact that the building may have been increasing in value at a phenomenal rate. Those two things tend to wash each other out. If a landlord is losing money on the potential because of the sort of building that he has, that's a different thing. But if he is in an area where that building is worth three times as much today as it was two or four years ago, and on paper he may be losing money, I think that's the kind of thing that has to be considered very carefully.

Mr. Shore is obviously shocked at that, but if a landlord is incurring a loss for a couple of years he is allowed to recoup some of those losses on his pass-through. In a hearing where I spoke for tenants, the landlord was a life insurance company and it was making a profit on the building. There was no mortgage, no liens; there was none of that sort of stuff to be considered. The only thing they had were the out-of-pocket expenses of maintenance, energy and so on. The rent revenue was almost three times as much as those expenses, so that building was showing a good profit. Now we could not argue that the profit of the building should be taken into consideration when the eight, 12, 13 or 14 per cent rent increase was considered. My point is that, without being unfair to landlords, I really think you have to be able to consider that sort of profit picture as opposed to the landlord who is showing a loss if he's allowed to pass some of that loss through.

The minister's comment about some programme to follow up when rent review ends is one area which I hope we'll get into within the next year. It is no good at all waiting until the programme ends and then watching to see where the chips fall. That's going to be a far more dangerous kind of programme.

I'd like to have a response to some of these questions that I have raised, Mr. Chairman, and then, if I may, I would like to make a couple of other comments after that. Can we do that?

**Hon. Mr. Handleman:** Sure. First of all, I think I've answered the question of conflict of interest. We had a couple of cases where before the order in council in fact had been approved by cabinet—all these people are appointed by order in council—



it was discovered that job offers had been made to people who were landlords. My instructions were that these people were not to be offered contracts; even though they'd been made job offers, no contract could be offered until the order in council had been approved and no orders in council were approved knowingly of anybody who was a landlord.

We have had some difficulty with those people; I think they felt they had been offered a job in good faith and it was taken away from them. The fine print is that the offer is subject to being confirmed by the Lieutenant Governor in Council. Most people didn't pay any attention to that; they think it is a rubber-stamp process, which it's not, and we have some problems with those people. In one case we had a threatened lawsuit for improper—well, he thought he was getting a job; some people had quit their jobs thinking they were coming on staff, and had even taken the training programme, but then the orders in council were blocked. So we've had some problems with that. There is no conflict of interest. We are constantly on guard to ensure that there is not. We're not too sure about the former NDP candidate in Belleville who is an information officer, but there's not too much we can do about that.

**Mr. Drea:** She?

**Hon. Mr. Handleman:** Yes, she. There are very few partisan statements that we can find. So we can't do anything about that.

[9:15]

The question of the consideration of anticipated cost increases of course is provided for in the Act; the rent review officer can look ahead. This year, obviously knowing that municipal taxes are going up and with energy costs announced by Ottawa as going up, there are some things, as you say that, can be determined statistically. I don't think you can ignore the fact that when three-year or two-year leases were given, no landlord could anticipate the spiralling inflation rate that they ran into. They may have covered themselves for what they considered to be normal increases in costs.

I had one landlord come to me who had gone into the apartment business as a hobby. He was a doctor, making a good income; he didn't need the income. He had five-year leases, good tenants and there never was an increase. Now, all of a sudden, he has had a heart attack and he depends on the income.

He is not entitled to eight per cent; he is entitled to about 800 per cent, but I don't know how he is going to be able to prove it. I feel sorry for that kind of a person. So they have to go to rent review.

I would be very interested in finding out where these appreciated values are in rental properties. Certainly single-family houses are appreciating in value. Condominiums, for the most part, are appreciating in value. But I have not heard recently of a rental property where the owner can sell it at more than he paid for it two or three years ago. Because of rent controls, they have depressed the value on the marketplace. Eventually it may come up. So there is very little of that. And interest costs certainly are not offset by any appreciation in value in that respect.

On the question of 85 per cent of the unregistered debt I think the only thing I can say here is that it's based on information provided by head office. I would rather not go any further than that. Whether or not that would be a rule that would be applied right across the province, I don't know. This is the type of information given to the rent review officer which he uses in his discretion. There is nothing mandatory about it; he has to have something to go on. I can't rationalize the 85 per cent.

Mr. Robbins might want to expand on that reply, but I just feel we can go to great lengths to divulge information which people can use to avoid the full impact of the programme.

**Mr. Moffatt:** That appears to be public knowledge now, because it was given out at that time.

**Mr. Shore:** It's not all that public.

**Mr. Moffatt:** May I ask one more technical question in addition to the photocopying and the hours?

**Hon. Mr. Handleman:** On the photocopying, we've had some discussions on this, and I suppose what the debate in the Legislature boiled down to was a question of staff and cost. I have heard Mr. Cassidy talk about the nickel or dime cost, but it costs \$10 to write a letter; this five- and 10-cent stuff is nonsense. I have asked Mr. Robbins to look into the possibility—and this is not a programme change in any way—of having coin-operated photocopying machines on our premises. If people wish to operate a coin-operated machine under the supervision of one of our people, I think we'll have to look at it to see if it is feasible in some of the places. I don't



think I want our staff taking their time to stand and feed sheets into a photocopy machine, because I think if we billed the full cost it would be prohibitive. I think the idea of providing coin-operated machines, as they have in libraries, may be the answer. We'll try it anyway.

**Mr. Moffatt:** Make a buck!

**Hon. Mr. Handleman:** No, we won't make it; the vending machine company will make it. But that may be the answer to that. I don't think Mr. Robbins has had time to look into it, because I just spoke to him about it a few days ago.

**Mr. Moffatt:** What about the evening hours; in the event that that doesn't happen, is there some way in which the offices could be open—the offices themselves, not the hearings? I know the hearings are being held in the evening in a lot of cases.

**Mr. Robbins:** To get access to the information?

**Mr. Moffatt:** Yes.

**Mr. Robbins:** Certainly that is something we can look into as an alternative to something like photocopying. We haven't had a great demand. The people who want access to it are adamant, but their numbers are small. I have had about seven calls and five of them have been from members of the Federation of Metro Tenants' Association.

**Mr. Moffatt:** But perhaps that will increase as a result of the new form. The original form, I think, did not say that you had access to this material; the new form does say that. Perhaps that will increase now as a result of the new form.

**Mr. Robbins:** Possibly.

**Mr. Moffatt:** Now I want to ask a couple of technical questions. One apartment building in my riding was purchased by a landlord; the purchase took place on April 1 this year. The rents are almost the same at \$185 per two-bedroom unit—it's an older building—plus \$3 for parking. He has now notified all of the tenants that the rent will go to \$245 plus \$5 for parking. In that situation, the tenants phoned the rent review office; they were told that the landlord had filed Form 5 far too late and it was inadmissible. Then he advised the tenants to come in and fill in Form 6 and that will force a hearing, and after that he can request the cost revenue data and establish a hearing and so on. Is that standard sort of procedure, or just how are you dealing with that kind of situation?

**Mr. Robbins:** Was he attempting to move to \$245 effective April 1? Immediately, in other words?

**Mr. Moffatt:** No, he gave them June 1 as that date.

**Mr. Robbins:** He would have had to have filed then, by April 1, his Form 5. You say he was late for that?

**Mr. Moffatt:** Right.

**Mr. Robbins:** There is provision whereby when a tenant instigates an application for rent review the tenant fills out the Form 5, sends it to the landlord and then the landlord actually makes the application to the rent review officer, and it would appear that perhaps he was trying to go that route. I'm not sure.

**Mr. Moffatt:** It just sounded a little strange to me.

**Mr. Robbins:** Yes. He won't be able to get an increase by June 1, that's quite clear.

**Mr. Moffatt:** Obviously.

**Mr. Robbins:** Yes. He'll have to give 90 days' notice to his tenants and he'll have to make a rent review application 60 days before the date of the rent increase. He may be a new landlord and not familiar with the system. A lot of the problems you've mentioned you can kind of relate to a start-up in an educational process. We're still very heavily into the educational side of things. We might have seen 40 per cent of the people who are going to be involved in rent review.

**Mr. Moffatt:** I might say that the hearings where I have been where there has been animosity and confrontation, in every case that has been the result of poor communication and lack of attention and lack of any kind of sense of community, by the landlord toward his apartment. In most cases the running of the building is left to the superintendent, who may be trying to save a few bucks here and there by not doing things the way the landlord might want. When we get the hearing and everybody gets all the gripes off their chests, of course, there is a great traumatic moment that comes there, and when the thing is over, if the landlord will visit the apartment once every six months and sit down for an hour with the tenants most of these gripes would be looked after and gotten out of the rent review process. I know what problems the officers are having, because they are attempting to solve five years of lack of attention by a landlord who may live in another province, or another continent in some cases,



and that whole thing is just a terrible lesson in human relations. If anything needed to be done in addition to rent review it's that kind of information to the landlords that they just have to run it like a business. You can't run it like some kind of absentee programme that you leave and it will sprout money every spring. I think that's where this whole problem starts.

On the question of the nullities of the court decision, the minister, I believe—my memory is not too clear on this—said in the House that you were going to appeal the divisional court decision. What has happened in that particular scenario?

**Hon. Mr. Handleman:** The Attorney General on review of the decision, recommended that we appeal, and my understanding is that we have authorized that appeal. I don't know where it stands now. Mr. Robbins can tell you specifically where it is in the process.

**Mr. Robbins:** I believe it's appealed, sir. I think it had to be appealed by a few days back and it has been done.

**Mr. Moffatt:** Are all future hearings being required to be cognizant of that 90-day provision, and if that is not part of it the whole thing is put back to the landlord to reapply? Is that the way you are handling it?

**Mr. Robbins:** No, we're cognizant of it. We're taking note where we can, where we can discern that it hasn't been met or that it has been met, but we're going ahead with the hearings. Unless both the landlord and the tenant are suggesting that the hearing be adjourned, we're going ahead with the hearing.

**Mr. Moffatt:** If that provision has been ignored and it's now before the courts, and a tenant comes in and asks that it be set aside, you are not setting aside; only if both parties agree to it?

**Mr. Robbins:** There'll be instances when landlords are interested in setting it aside too, as in the case in London.

**Mr. Moffatt:** That's what Mr. Shore was saying.

**Mr. Robbins:** We'll probably get more of these judicial reviews too, and we could have everything pending while we're waiting for half a dozen or a dozen judicial reviews for decisions, really. It's new legislation and it's going to be tested right throughout.

**Hon. Mr. Handleman:** At the outset, of course, the officers had no way of knowing

how much notice had been given to the tenants. They only knew how much notice had been given on the application—so they insisted on the 60 days. We were not administering, and still aren't administering, the Landlord and Tenant Act and, of course, that case has actually resulted in most new applications being checked for the notice. Most landlords, even before the decision, were giving the 90 days under the Landlord and Tenant Act. Those who had taken proper legal advice were giving 90 days' notice.

**Mr. Moffatt:** What is the minimum length of time you are insisting on for the statistical data from the landlord to be filed in advance of the hearing? Are you using two weeks, or two days, or what?

**Mr. Robbins:** Section 5(13) of the Act says the rent review officer "shall make available to all parties to the hearing all material filed with him in connection with the application together with any information which he requests from any party." There's nothing in the Act that requires a landlord to submit the data by a certain date. We're attempting to have the data in there two weeks before the hearing. In some cases it might be a little under that, if the hearing is set a little more closer to the time of the hearing notice.

We are, as I mentioned, in a start-up situation. Some landlords submit data which they think meets the requirements and doesn't, it falls short. Some landlords more or less come into the hearing expecting to be able to make a verbal presentation, and then other landlords have a full accounting treatment of the data, it's quite full and 100 per cent there.

We offer to adjourn the hearing if the tenants are not absolutely satisfied with 15 or 20 minutes or a review during the hearing of the cost revenue data by the rent review officers. If they are not satisfied with that we will adjourn the hearing and put it on to a later date.

Again, it's often an imperfect situation when you're out there. You might have 40 per cent of the data, or 80 per cent. You might have to adjourn the hearing and come back when the landlord has prepared the other 20 per cent of the data. There's a number of circumstances that can prevail.

**Mr. Moffatt:** If the tenant does not appear at the hearing he loses the right to appeal. If the landlord does not appear at the hearing and the rent review officer, as has been the case, rules that the entire increase will be disallowed, does the landlord, because he did not show up at that hearing, lose his right to



appeal or does he still maintain his right to appeal?

**Mr. Robbins:** His rights are the same as the tenants, vis-à-vis the appeal process. Either he has to attend or his representative. Likewise with the tenant. One tenant can nominate another tenant to represent him.

**Mr. Moffatt:** If a tenant nominates some other person, or a group of tenants asks me to appear for them—

**Mr. Shore:** Make sure you get a good fee.

**Mr. Moffatt:** I do it as part of my job, Marvin. If that should happen and I go to the hearing, make my presentation—the tenants have signed the proxy form and so on—are the tenants then allowed to take part in the presentation as well, or just the person who is appearing as proxy?

**Mr. Robbins:** There's been some difficulty in the tenants nominating a spokesman and then insisting on overriding him on every point he makes. We've had a lot of those difficulties in a lot of hearings. The rent review officers generally have tried to have one spokesman on the floor at any one time. One of the ways in which they do that is to try and point out to the tenants, "You asked this man to be your spokesman, he's well qualified, why not let him be the spokesman?"

What we're advocating the rent review officer do is try to have the spokesman speak on behalf of the tenants for, say, the review of the cost revenue statement, or the review of the financial information and maybe a presentation of certain key factors that the tenants or the group want to hold, and then open it up to give all the tenants a chance to say something and be part of the process. But to combine those two things and have them both going at the same time leads to some of the confusion that we have had.

[9:30]

**Mr. Moffatt:** Does the same thing apply to the landlord? If the landlord has his lawyer up here as his agent to make the presentation, is he then supposed to be guided by the same rules or not? At one hearing I attended that wasn't the case. I don't think that was the rent review officer's fault. I think it was the fault of a pretty forceful accountant who didn't think the lawyer did as good a job as they would have. After he made his pitch they all got into it as well.

**Mr. Robbins:** Confusion can reign a little more if there is a large number of people

there. If there's one landlord and he interrupts his one lawyer, that's a little bit of confusion, but if there are 100 tenants all trying to interrupt each other that's worse.

The other thing we find is that some tenants will get together and appoint a spokesman and others won't agree to that spokesman. There's quite a variety of circumstances.

**Mr. Moffatt:** Thank you, Mr. Chairman.

**Mr. Chairman:** Margaret Campbell.

**Mrs. Campbell:** Thank you, Mr. Chairman. First of all, and perhaps to bring a note of levity into this, certainly to poke a little fun at myself and to those who have agreed with me, I would like to say that we would like to see tenants more available in these offices. I was explaining to the minister that on my way back during the dinner hour I had to take a taxi. The taxi driver opened up by saying he didn't think very much of rent review at this point, he'd had the experience, but he said that one of the things that bothered him was that in his building there was a tenant who was a student who had been appointed as a rent review officer. It caused him to view, with the greatest jaundiced feeling, any rent review officer, because he didn't think this tenant had the capacity to handle the situation. I thought you might take some encouragement out of that.

**Mr. Drea:** Did you tip him?

**Mrs. Campbell:** The thing that I would like to really go into is this whole question of the accounting procedures, because I'd like to just give you an example of a case in my own riding, prior to the rent review, to show the way in which things can develop. Where you have, as we now have in so many cases, mixed kinds of buildings within a complex all owned and/or operated by one group, there can be a grave concern about the accounting for any individual building.

In my riding, there is a complex where you have some limited-dividend, privately owned, Ontario Housing management and conventional buildings. In the course of a struggle that we had vis-à-vis the limited-dividend buildings, I was able to get the landlord to produce a statement for these buildings. The figures, so far as I could tell, and I'm not qualified as an accountant, seemed to me to be very strange figures as they pertained to these units.

I spoke to the landlord's representative and with the landlord and I said: "It looks



to me as though you are producing the costs of this building as costs of this building, some of the costs of the conventional building," because there were items such as landscaping and so on which obviously had no relationship to any landscaping for these buildings. When I spoke with the landlord he said, "What if there were this kind of mix? It really isn't a significant factor in the overall picture of these buildings." I look at what a tenant has to do to try to combat that sort of thing and it concerns me. If there is any kind of mingled operation, with one company doing all the maintenance or something like that, how can we be assured that the costs really do relate to the specific building and not generally across the complex?

**Hon. Mr. Handleman:** Mrs. Campbell, that question of course has been asked a number of times, and I would say that if you were a qualified accountant, as Mr. Shore is, and you both went out to do that accounting independently of each other, following accepted accounting principles, you would come up with different answers. I would too. When you say, how can the tenant—

**Mrs. Campbell:** I'd come up with a different answer because I wouldn't even attempt it.

**Hon. Mr. Handleman:** No, but if you were a qualified CA, as Mr. Shore is, and you both went out to do that, using accepted accounting standards, you would come up with different answers, just as two accountants come up with a different cost for a plant. With overhead rates being what they are and, as you say, the allocation of common costs, it's got to be somewhat arbitrary and no two accountants are going to agree entirely. They do accept certain accepted principles but the way they operate is from their own experience and their own background.

I would say that under those circumstances the tenant really is in a difficult position to challenge the figures, but again I want to point out that it's our view that the rent review officer is the man on whom the responsibility rests. Now if there is no faith or trust whatsoever in the process, then you're not going to make believers out of the tenants. But the onus is on the landlord not only to put the figures forward but to prove them. The rent review officers—and I say this on the basis of advice I have had and some observations and letters that I've been re-

ceiving—do a tremendous amount of questioning.

The reason we haven't made the manual available to everybody is that in that manual is the basis of a lot of the rent review officer's questioning, his investigating, his saying, "I think that's wrong. You're going to have to prove this to me; it doesn't gibe with the kind of information that has been made available to me." And not everyone of these people is a CA, as Mr. Downey is. They are people with some skills in accounting; that's one of the prerequisites we have. But they do need some guidance, some indication as to where they can find flaws in the presentations that are put before them. So there is an onus on the landlord to prove his case; there is an onus on the rent review officer to pick out the anomalies, the inconsistencies or the untruths that are in the information before him.

I think the tenant has to rely to some extent on the fact that here has been an objective analysis of the information before the rent review officer. If he doesn't want to rely on that, then I guess he's thrown on his resources, whatever they may be, as to outside help or his own skills in doing the best he can. I've been trying to convince tenant groups that they should rely on the rent review officer to do that kind of inquisitive type of questioning, which they do, as far as I know.

Mr. Robbins can expand on that, but I've always accepted that the rent review officer's role is to question the information put before him, and not simply to accept it.

**Mr. Robbins:** If I could just add one thing to that, I think that more than 90 per cent of the tenants see it that way and accept that. There are a number of more activist elements among the tenants who are trying to turn this into almost a judicial process where the rent review officer sits there as a judge and only listens to what is presented to him from both sides. These elements are usually trying to act for the tenants, but I'm quite confident that isn't and wasn't the intention of you people when you legislated this Act. It was to be an informal process, and the rent review officer was charged with the responsibility of sorting these things out.

**Mrs. Campbell:** Mr. Chairman, it's perhaps because it isn't my discipline that it does seem a very complex kind of thing for tenants to be able to get their teeth into and to make any kind of representation. They can say, for example, as they did in this case—it was not before rent review, as I said—that there wasn't any landscaping done for this building. Or



they could say, "You've charged for drapes and there aren't any." This kind of thing is simple. But we should try to ensure that as each building in that complex comes up, that you're not sort of facing the same figures. A rent review officer may not necessarily be the same one who dealt with a previous case and perhaps may not see that these figures are appearing again and again. I don't see how the tenants can really function unless they have a good deal of opportunity to really study those figures and to study them with someone knowledgeable in the field.

**Hon. Mr. Handleman:** They do have the opportunity if they wish to avail themselves of the figures.

**Mrs. Campbell:** But going and taking figures is very difficult—

**Hon. Mr. Handleman:** Of course it is, and we're suggesting that they be given more access to those figures. But again I say you are quite right in the kind of information that we think the tenant legitimately should ask about.

We had one situation—I think it was in Ottawa—where the landlord said, "Here are the salaries of my five security guards." The tenants who lived in this apartment said, "Hey, you've only got two." The landlord replied, "Oh, well, I have a complement for five and I haven't hired them." But the tenant can spot that immediately; I don't see how the rent review officer can, unless he goes out and sees every building. So I think legitimately the tenants can do this kind of thing. But I think when they start getting into accounting complexities, they really need an accountant to help them. It's not your discipline, nor mine, and I think is one of the reasons that trustees in bankruptcies are usually chartered accountants rather than lawyers. They have to know what they are doing in terms of figures and be reliable. I've never yet in my own riding even talked to a rent review officer on a specific case. I've talked about their procedures and practices, but they have the right to make up their own mind on the basis of what information they have.

**Mrs. Campbell:** I fully agree with you. It's just in those mixed cases, and we have a number of them.

**Hon. Mr. Handleman:** Sure—and in Ottawa too.

**Mrs. Campbell:** Mr. Moffatt made a good point for not going back in history in order

to determine the actual situation if it were a case of a long-term lease. However, I have to plead the other way to some extent because of the experiences of some people with limited-dividend projects. There are cases where we have evidence that the landlord has charged more than CMHC would allow. Unfortunately—and I fault CMHC for this very strongly and critically—they don't seem to do very much about it. So I think that the opportunity ought to be available to go back in experience where you have this kind of a situation, and I don't think you could have it one way for one and one way for another.

In looking at your book, Residential Financing Payments, item 9, you have a statement here on which I'd like some clarification. "If the additional funds are not reinvested in the existing building or buildings in a project, the rent review officer will not normally allow the increased payments." Could I have a for-instance as to what would be an exception in such a case?

**Hon. Mr. Handleman:** I know the reason for the rule; maybe Mr. Robbins can tell you what the reason for the exception is and why it would be allowed.

**Mr. Robbins:** Did I say "project" in there. Could you just tell me which paragraph you are referring to?

**Mrs. Campbell:** It's the second full paragraph on page 7, in the first column.

**Mr. Robbins:** Okay. I can't think of an exception; I spend most of my time justifying the rules. I haven't had to think of the exceptions. Perhaps Mr. Downey might think of an exception. The rule itself, of course, is devised so that one group of tenants isn't necessarily subsidizing another group.

**Mrs. Campbell:** Paying for another building.

**Mr. Robbins:** Yes. There may be situations where that might be justified; I can't think of any, quite frankly. Can you think of any, Dick?

[9:45]

**Mr. Downey:** This particular section is also tied in with another section with regard to improvements to the property. If the landlord has taken the funds that he's used as mortgage money—say he's increased his mortgage by \$300,000—and has used those funds to put in tennis courts, a swimming pool and additional facilities, then the payments with regard to those would be allowed at the in-



terest rate on the mortgage over the useful life of those additions. Those are the instances where the landlord may be allowed the additional financing, but he has to have put the additional financing into an improvement in the project before the rent review officer would consider it. That is in the manual.

In other words, the money has to be put into the project. It's not a case that the landlord has just refinanced on the basis of getting more money out of the project to put in somewhere else; he has to demonstrate by invoice, etc. that the money is put into the property. Then it goes into the next section in our cost-revenue guide, which is the improvements in the project, and in that case he's allowed interest.

**Mrs. Campbell:** What you're saying is that if in fact the additional funds are reinvested in the property, although not necessarily in the building or buildings, then that would be the kind of case where an allowance would be made.

**Mr. Downey:** It would have to be of benefit to the tenants in that particular project, yes. The money couldn't be taken there and put into a building that the landlord owned a block away; it would have to be of benefit to that particular project or building. And by project we mean there could be some townhouses and apartments grouped in one particular project.

**Mrs. Campbell:** I'm sure I know what you mean by a project. But it just seemed to me that if one said that the additional funds are not invested in the property or in the property within the project or something of that nature, it wouldn't leave a loose end for interpretation.

**Hon. Mr. Handleman:** You have to leave it open, though. It's the same as the rent review officer having to make a decision as to the value of the loss of a benefit. In other words, if they say, "We're going to take away your outdoor heating plugs," what is the value of that to the tenant? It's an increase in rent, it's provided for and the rent review officer has to make a decision. But I think if you tie him down, he has to make a decision as to whether that is a benefit which the tenant has lost and put a value on it in determining that as an increase in rent.

The same thing would apply here. If you are going to tie him down completely to putting a value on the benefit which the tenants receive, then he's going to have to follow the formula. This way, he's allowed to use his

judgement. It may very well be that the money invested back into the project does not result in a benefit to the tenant; are you going to allow the whole thing? Suppose he's putting up another building in the project with that money. I think you'd have to be careful to ensure that the money was invested back and returned a benefit to the tenant, which he should pay for in the form of rent; and it's reflected in the rent review officer's decision. I think we try to stay away from as many hard and fast rules and still provide some consistency.

**Mrs. Campbell:** I just worry a little because of the cases that I brought to the attention of the Legislature before we had rent review, where it was very obvious that the increased financing was not for the benefit of that building at all but was to induce these tenants to pay the costs of further buildings of the landlord.

**Hon. Mr. Handleman:** But it could also be a straight recovery of equity for the landlord. He may have got his mortgage down to 85 per cent and wants to come back up to 95 per cent; that's all. There's no benefits for anybody, no investment for anybody; it's just a recovery of equity. There are a number of reasons why it shouldn't be allowed and there are some reasons why, in some cases, some of it should be allowed. I think we leave that to the rent review officer's discretion.

**Mrs. Campbell:** It just occurred to me that it was a little dangerous in a case of this kind where, if additional funds are not reinvested, then it would be normal, as you say, not to allow these payments. I just don't quite understand why one couldn't be a little more definitive in that area, because I think it could open the door to interpretation which could create variety across the province in the types of decisions you get. I would think uniformity would be something you would strive for in your decision making.

**Hon. Mr. Handleman:** The instructions are not to allow it. The instructions are not to allow it unless—the exception is proven.

**Mr. Shore:** You will never get uniformity because it started off with non-uniformity.

**Mrs. Campbell:** Be that as it may, I have been concerned about it and I—

**Mr. Robbins:** I think, Mrs. Campbell, we would be hard pressed to find an example, quite frankly, and so it is being interpreted the way it was intended to be in 99.9 per cent of the cases.



**Mrs. Campbell:** When it comes to the law I have a little expertise, and I know that the more that you can do to make something very definite in a situation of this kind and the less you leave to interpretation, probably the better in something of this informality. Do I understand you to say that in the event that a landlord, as Mr. Moffatt suggested, produced figures at the date of the hearing, on the application of the tenant the hearing would be adjourned to give that tenant the opportunity to examine the additional documentation?

**Mr. Robbins:** It could be adjourned. Our recommendation to the rent review officers is that he would adjourn the hearing in those situations. Keep in mind that the rent review officer has jurisdiction over the hearing. I can't tell him that he must adjourn the hearing in those situations. If he has reasons for not adjourning it, and they are good ones, he will proceed with it. I would hope that in most of the cases it would be adjourned and there would be ample opportunity to review the information. Because of the large number of cases we have had to deal with, there is a bit of a desire by the rent review officers, of course, to proceed with hearings. Many of them are going over the information in detail at the hearing with the tenants, and in many respects that could be of greater benefit to the tenants than just having him read it by himself without any comment or expertise brought to bear on the information, because as you are well aware that information is not that simple to interpret.

**Mrs. Campbell:** I realize that you are trying to keep this as simple and as informal as possible, but it is one area where it would seem to me we might look at the kinds of thinking of the law itself, and that is not only that justice should be done but it should appear to be done. If somebody is caught by surprise, that rule normally pertains in the law and I know of no real exception to it; if someone is caught by surprise, on their application, the court will adjourn the matter. It seems to me that in a case of this kind that opportunity ought to be available, and if the application is made then I would think it wouldn't lie with the rent review officer to determine what the tenants might be able to do with the time available but rather that as a party, in effect, to it, he feels prejudiced and not, therefore, to have the opportunity to come back. Of course, in the event that a landlord was caught by surprise by something or other I suppose the same would apply, but I would think that in the normal course he or

she would not be caught by surprise because he has probably heard from his tenants well in advance.

**Mr. Robbins:** The other side of the coin, of course, is the landlord who shows up two times without any information—no information at the time of the first hearing, the hearing is adjourned, no information at the time of the second hearing—to the point where we have had some decisions by rent review officers to grant a zero increase in rent, frankly, because they just didn't have a basis for granting an increase. There was no financial information put before them.

**Mrs. Campbell:** I don't feel that is in the same position at all. Surely the landlord ought to be prepared to proceed with his facts, and if he doesn't proceed—certainly if he doesn't proceed by the second date—I don't see that that is comparable at all.

**Mr. Robbins:** I'm just pointing out that that's another possibility when you get into the adjournment situation that we've experienced.

**Mr. Acting Chairman:** Mr. Good, you're next.

**Mr. Good:** One point I'd like to discuss is a problem that has arisen and which I thought we had covered very carefully in the debates on the legislation, that rent review officer orders would coincide with the terms of a lease. Now we find that, in practice, the part which has been dealt with under the retroactive section, from July 29 to Dec. 31, 1975, is in addition to the 12-month order which is then given when the order is made in the period from Jan. 1, 1975. In other words, your Information Bulletin No. I-1 states:

For example: If on March 25, 1976, a rent review officer were to make an order setting a tenant's rent at \$275 per month beginning Jan. 1, 1976, then the order would cover the period Jan. 1, 1976, to Dec. 31, 1976. It should be noted that there is no similar provision under section 4 of the Act which applies to the rent review period between July 29, 1975, and Jan. 1, 1976.

Consequently, we have had a great many decisions—in fact practically all the multiple units in my area, where decisions were handed down on leases that commenced prior to the end of 1975—the lease would run, say, from October, 1975, to October, 1976—The rent review officer gave a decision for the retroactive period and another decision for the



1976 period, and we find the landlords are now locked into periods extending more than 12 months. In other words, 12 months plus whatever the retroactive period is.

Not only does that create the problem of the lease where the action of the rent review officer, in fact, negates the contractual arrangements of the lease even though it has been approved by the rent review officer, whatever the increase might be, but it's causing the greater problem in the eyes of the landlords that they are going to have a tremendous number of units come up for renegotiation on Dec. 31, 1976. This is one thing that we specifically dealt with during the debates in the Legislature and we were assured that this would not happen, because there was no intent to have all leases expire at the same time.

What, in effect, has happened now is, while the leases aren't expiring at the same time, the rent review orders, by extending for 12 months on top of the retroactive period, are, in effect, making all rent increases expire at the same time—Dec. 31. I think, come next Dec. 31, not only are the rent review officers going to have an awful time but the landlords are going to have an awful time and the tenants are still going to have a worse time. I just can't see how we fell into this trap.

**Hon. Mr. Handleman:** As you are aware, you brought this to my attention. I discussed it with Mr. Robbins and I don't know what there is that can be done about it. Mr. Robbins might have come up with something since I spoke to him about it. I recognize it as a very serious problem.

**Mr. Robbins:** I guess it was an oversight in the Legislature. It's rather unfortunate, because of the timing of the thing on the one hand and because the landlords are finding that their leases are extended up to 17 months. I think that's the maximum of months it can happen.

**Mr. Good:** Yes, five and 12 months.

**Mr. Robbins:** The way the Act is structured, it does require a separate application under section 4 and a separate application under section 5, and a separate order for section 4 application and a separate order for section 5 application and it is the section 5 order that gets the 12 months applied to it. The choice we had was either following the Act or not following it, and there was no sense in issuing orders that didn't follow the Act because they would be eventually taken to a judicial review and then we wouldn't have jurisdiction.

**Mr. Good:** It says, "The rent so determined shall remain in force for a period of not less than 12 months," but that rent so determined has already been in force, eh? Under the broad terms of the regulations, under section 15, it says, "The Lieutenant-Governor in council may make regulations respecting any matter necessary or advisable to carry out effectively the intent and purpose of this Act." If that isn't wide enough to drive a team of horses through, I don't know what is. My gosh, you sent out directives—for instance, listen to this directive of what the rent review officer is supposed to do in this case. "If, for example, the lease extending from Sept. 1, 1975, to Aug. 1, 1976, will be subject to an order for another period of time, four months in 1975, plus another 12 months, but the lease will end at the end of August, the orders are effective until Dec. 31," or 16 months. If the calculation was for nine per cent annual cost pass-through, the adjustment would be as follows: nine months times 16 divided by 12, or 12 per cent, over the period of the extended lease.

There is nothing in the bill that says the rent review officer can do that. You can get into your regulations and you can get other things in your regulations which seem to cover certain common sense decisions; there are other things the rent review officers don't seem to be doing, in my view, which are covered in the regulations, for instance, and I had some marked. I just can't understand why this directive would go out under that basis. I mean you read Hansard, I made a note, I looked one up—

**Mr. Robbins:** Could I just comment on the two points that you have made? My legal advisers tell me you can't regulate out of the legislation. That's number one, and I think that is a cardinal rule, you just can't regulate yourself out from under the legislation.

That information bulletin was devised to help alleviate this situation to a degree, and really what it is saying is that if the cost pass-through on a 12-month basis allows such and such an increase, but you are locking the situation in for an additional four months, it is trying to adjust that cost pass-through to, you might say, extrapolate it up to the 16-months basis, rather than the 12. We think that is consistent with the intent of the legislation, which is to allow a landlord to offset his cost increases.

**Mr. Good:** Yes, but the major intent of the legislation was not to have all the agreements expire at one time, and that's precisely now what is happening in all these multiple units that had a retroactive hearing, and then have



a 12-months hearing, and that is certainly plain in the legislation too. Surely there must be some way—

**Hon. Mr. Handleman:** I recognize the problem. I recognize the seriousness of it. I think, as Mr. Robbins has said, we would have to take legal advice as to whether or not we can by regulation do something which the law specifically prohibits us from doing. When they define the length of a rent review officer's decision, then we can't reduce that length by a regulation. I am prepared to look at it and to get legal advice on whether we can do something, because we recognize the problem. If it requires an amendment to the Act, then I suppose it is a little late in the session to be doing something about it, that's the unfortunate part, and I certainly couldn't commit our government to bringing in an amendment.

**Mr. Good:** That brings up another point. This information bulletin was put out Feb. 23, 1976, and the other one April 26. Feb. 23 was long before the amendments to the rent review Act came before the House. There is no reason whatsoever why this problem couldn't have been corrected in our last round of amendments. It wasn't, and for what reason I don't know.

**Hon. Mr. Handleman:** Probably because it wasn't brought to our attention.

**Mr. Good:** The problem is known to exist, by the issuance of this information bulletin.

**Hon. Mr. Handleman:** You're asking the administrative officers to recognize that there is a problem here when in fact what they are doing is issuing instructions on the interpretation of the Act. Certainly I think that if this had been drawn to my attention fairly early enough, then we could have given some consideration, as we did to other housekeeping amendments. All I can say is that it wasn't brought to my attention until you brought it up yourself, and immediately I devoted some time to it. We find, at the moment at least, that there is no solution in the regulation.

**Mr. Good:** But read the Hansard of when we came back for the teachers' strike; I think we dealt then with amendments to the rent review legislation.

**Mr. Robbins:** That's when this one came in.

**Mr. Good:** That's when this came in, right. That's when we discussed it. Mr. Cassidy spoke on it; I spoke on it. The minister at the time very specifically answered our questions and said the intention of the Act was

that there would be no shortening or lengthening of the term beyond the 12 month period. That was the intention of the Act as stated on Jan. 16. By Feb. 23, one month later, the problem was known to exist by the issuance of this information bulletin. Nothing has been done to correct it. You're going to have chaos next Dec. 31.

**Hon. Mr. Handleman:** Well, it may be—

**Mr. Good:** It should have been in Bill 60.

**Mr. Robbins:** The problem is there. The magnitude of the problem might be a little smaller than you are thinking, because there were various numbers of years in each lease and it's only those one-year leases that fell for renewal between the period of July 30 and Dec. 31. Now there is a number of them, I admit, and the number is probably fairly large.

**Mr. Shore:** Ask for the numbers and why they didn't put them in there.

**Mr. Good:** I just asked that. The minister says he didn't know it existed; the staff obviously knew it existed and didn't think it was a problem. You say you can't do something which is illegal in the Act, but that's a matter of interpretation. I have people who tell me they don't think that the interpretation being put on it by this information bulletin is the right interpretation of the legislation. So one man has an opinion, and another man has another opinion. We'll never be right. As we're always told by ministers, "This is what we're going to have. Until the courts prove us wrong we'll leave it at that. If the courts prove our legislation is wrong, then we're prepared to change it." We're told that time after time. When we say, "If that's what you mean, why don't you say it?" the minister says, "Well, my people tell me that's what it means."

**Hon. Mr. Handleman:** You know, Mr. Good, that the courts will take a fairly literal interpretation of the Act. They are not going to read Hansard.

**Mr. Good:** No, I appreciate that.

**Hon. Mr. Handleman:** I am quite prepared to ask our legal advisers if in fact they can put an interpretation on it which would avoid the problem. But if they tell me in all honesty that they cannot, then I don't think I would be wise to invite court cases simply in order to try to resolve a problem which we know will not be solved simply by administrative



action or even regulation. But I'll wait and find out what the legal advisers tell me.

**Mr. Good:** Tell me this, Mr. Minister: If an order is given for the retroactive period, and the lease is for 12 months, say from September to September, is there any instance—maybe Mr. Robbins knows—where a different increase or order would be issued for the remaining period?

**Mr. Robbins:** If the lease ran from September to September?

**Mr. Good:** Yes.

**Mr. Robbins:** The second order, the one that dealt with 1976, would run through to the end of December.

**Mr. Good:** Yes, I know. But are there instances where that order would vary from the retroactive order sustaining that increase?

**Hon. Mr. Handleman:** There would be a different percentage in increase in rent.

**Mr. Good:** Exactly.

**Mr. Robbins:** In most cases I would say no; it would probably be the same percentage.

**Mr. Good:** This is what I mean. You are dealing with the same set of circumstances and the same percentage of increase under two separate orders, and the Act, says in my view, as a layman—and sometimes I have more faith in laymen's interpretation of the Act than in a legal interpretation—the rent so determined shall remain in force for a period of not less than 12 months. This is a re-affirmation of the order made for the retroactive period, which has already been in force for three months; so if it shall remain in force for not less than 12 months, you add another nine months to it and it's in force for 12 months.

**Hon. Mr. Handleman:** What you're asking us to do is to interpret the Act and you're asking me what's wrong with it. I'm not going to give legal advice; I'm going to take it. So having heard there is a problem, we're going to have to put it to our legal advisers and ask them if that interpretation can be put on the Act with any confidence. I am not opposing what you are saying; I am just saying we may not have the legal right to do it.

**Mr. Good:** That's all I have to say. I think it is working fairly well in our area except the landlords are closing up their buildings and going out of business. Other than that, it's working well.

**Hon. Mr. Handleman:** It's happening in some other areas too.

**Mr. Drea:** Chairman, in view of the fact it's 10:10—

**Mr. Shore:** Roughly how long are you going to be?

**Mr. Drea:** —I am going to make it very simple. I have three questions to ask. The first one, which I would like to ask Mr. Robbins, or through you, Mr. Chairman, is what the average rent increase has been since the programme has been brought in for commercial apartment houses?

**Mr. Robbins:** Taking into consideration 1,141 hearings dealing with 8,646 units, the average increase granted was 14.18 per cent.

**Mr. Drea:** All right. That's fine. Would you think that a 37 per cent increase across the board was something to be looked at by a rent review officer?

**Mr. Robbins:** A 37 per cent increase?

**Mr. Drea:** Yes.

**Mr. Robbins:** We have had 37 per cent increases.

**Mr. Drea:** In terms of an apartment; not in terms of a single dwelling house.

**Mr. Robbins:** Yes, we have had increases that were granted by rent review officers that were of the order of magnitude of 37.5 per cent.

**Mr. Drea:** In commercial apartments?

**Mr. Robbins:** I believe so, yes.

**Mr. Drea:** Fine. Secondly, I would like to talk to the chairman of the board. In terms of your expenditures, could you give me a rough idea of how many dollars were spent on signs in your waiting rooms saying "No Smoking"?

**Mr. Bruce:** I don't know.

**Mr. Drea:** Well, they are there. Somebody had to pay for them.

**Mr. Bruce:** I would think a matter of \$20 or \$30.

**Mr. Drea:** Okay. Fine.

**Mr. J. K. Young:** We will try to get that for you, Mr. Drea.

**Mr. Drea:** Now, if I might come to the Chairman, Mr. Chairman, tomorrow morning



or perhaps Monday morning I am going to serve notice upon the Speaker that I do not think in these particular estimates discussions or in the other particular estimates discussions you have chaired, that people have received a fair hearing.

Frankly, Mr. Chairman—and I say this to you with all due respect—there were a number of adjectives used tonight and there have been a number of adjectives used upon other occasions; in respect of that, there have been other speakers at other sessions of the justice committee. Quite frankly, in all fairness—and I say this with all due respect to the position you hold—I don't think that the members have had a very fair opportunity to discuss a great number of the issues that were involved.

I don't want to delay these proceedings, and I don't want to cast aspersions on other proceedings that have gone on before here. Certainly, Mr. Chairman, I don't want to stay the proceedings of the Ombudsman's estimates, which I know are a great personal point of view with a number of people here. But I will say to you, Mr. Chairman, at least as far as I am concerned—not at this hearing necessarily but in terms of other hearings—the Chairman has been biased and vituperative. I notice that brings a smile to your mouth.

[10:15]

I'm laying it out. I simply think, in the normal lines of the interrogations that have followed in an estimates committee, regardless of the particular estimates that have been carried on, and I say this with all due respect, sir, that you have exceeded your jurisdiction, you have limited a number of questions and, quite frankly, I intend to take it to the Speaker, and perhaps we may get a very firm delineation of where the Speaker's responsibility lies, where the Speaker has some responsibility, where the Speaker really has no cause to act.

I say this to you, sir, in view of the position you sit in, I say this with the greatest of sorrow, because I am prepared to file with the Speaker upon the earliest occasion a number of questions that I would have liked to have asked and I was inhibited from asking by the activities of the Chair. I think that in the long tradition of this Legislature the estimates have really evolved from a very simple procedure into a very complex thing where virtually any member could ask anything he wanted as long as it was relatively within the grounds.

I would like to say that in this particular session of the justice committee there has

been an inhibition placed upon a member, there has been a rather deliberate attempt by the Chair to keep the questions within line of what the Chair would want, and I say this with all due respect. I really think if we're going to come to grips with some of the very complex issues that are placed before us in terms of an estimates committee, and certainly none of them more complex than tonight, probably none of them second more complex than were placed this afternoon, and some of the other ones, really there has to be a decision made.

**Mr. Chairman:** Mr. Drea, you may do as you please.

**Mr. Shore:** Mr. Chairman, I'd like to—

**Mr. Chairman:** Let me just answer Mr. Drea, just for a moment. I shan't waste a great deal of time on it. The Chairman feels that he has been more than fair, given more latitude than you can possibly dream of. These estimates have gone on day after day with the fullest freedom conceivable, greater freedom than I've experienced in the past, and that's my policy and that's what I'll stick to, whatever anyone says.

**Mr. Shore:** Mr. Chairman, I'd just like to put on the record that I appreciated being given the opportunity of asking questions that I had to place before, and I want the record to show that I think the Chairman treated my questions with respect and to thank you for that.

**Mr. Chairman:** Thank you very much.

**Mr. Shore:** I didn't get any answers, but—

**Mr. Chairman:** Mr. Bounsall.

**Mr. Bounsall:** Yes, I have one question that has come up with respect to rent review. It came to me only yesterday, and Mrs. Laurie Akse from Burlington this spring had notice of a rent increase from \$200 to \$250. She lives with her family in a four-unit, one-storey development, a set of apartments I guess, and she and two others, I believe, got together and determined that this was above the allowed amount or at least in the area in which they could appeal.

They indicated to their landlord that they were only going to send in the \$216—the rents varied a little bit—or whatever the equivalent was. In her case it was \$216. The landlord said to her, "If you do, I will evict," and she did and took it to the rent review board and a decision on that is expected this week. They went before the



rent review board in mid-May and she also placed before the rent review board her concerns about the fact that the landlord said he would evict if he was forced to go before the rent review board and, of course, duly, on May 27, she gets her eviction notice.

What protection does the rent review Act or the Landlord and Tenant Act have for a tenant who seeks the enforcement of rent review and is evicted by so doing?

**Hon. Mr. Handleman:** Oh, she can't be evicted.

**Mr. Chairman:** She hasn't been evicted.

**Hon. Mr. Handleman:** No, Mr. Bounsall, that's all there is to it. That's about as simple an answer as I can give you.

**Mr. Bounsall:** Are you saying then that she has no protection under either of those two Acts, and it's just the normal case of the judge to decide when the eviction is taken to court?

**Hon. Mr. Handleman:** The Landlord and Tenant Act provides complete protection against eviction without cause. Did the landlord go and get a court order confirming his eviction notice? If it's not a court order notice she should tear it up, throw it in the waste paper basket, or flush it down the toilet. She's not been evicted. That's all there is to it.

**Mr. Good:** She has had notice to vacate.

**Mr. Bounsall:** Notice to vacate, yes, with the prescribed time in it and so on.

**Mr. Good:** If she doesn't vacate, she's deemed not to have received it.

**Hon. Mr. Handleman:** That's right. Just tear it up and throw it away.

**Mr. Bounsall:** In other words, the reasons given would have to be valid enough for the judge, eventually, when the order arrives and so on.

**Hon. Mr. Handleman:** The onus is on the landlord to prove to the court that there are grounds under the Landlord and Tenant Act for eviction and he has to spell those out to the court. It's not the tenant's responsibility to protect herself against eviction. The landlord must prove his case, just as he must before the rent review officers.

**Mr. Bounsall:** Okay, fair enough. I told her that there was a long process anyway

and to forget about it. The written reason stated in the notice was because the landlord wanted to occupy one of the units, and it just so happens that at the beginning of this next month one of the four units, identical in every respect, becomes vacant, so I would presume it would be a fairly easy case before the court, should the eviction notice arrive at some time.

**Hon. Mr. Handleman:** I think the judge can be depended upon to see through the idea that he wants to occupy himself. If he is now occupying either a unit in that building or a unit somewhere else, you know you just can't move in for a month and say "I want it for myself" and then create a vacancy in that way. The judges simply won't go for it.

**Mr. Bounsall:** No, her landlord occupies, according to her, a \$240,000 home in Burlington. Why he would move into a two-bedroom apartment is—

**Hon. Mr. Handleman:** I think you have to give our courts some credit for having a modicum of intelligence. It's probably put me in contempt of court by saying that.

**Mr. Chairman:** Any further debate on vote 1308?

Vote 1308 agreed to.

**Hon. Mr. Handleman:** Mr. Chairman, before we leave, I would like to thank all members of this committee for making this year's estimates a little bit more enjoyable than they were last year. We seem to have established a fairly good relationship, and while we're obviously going to differ on political and philosophical grounds, I've appreciated some of the points that have been brought out and I've enjoyed the estimates this year much more than I did last year.

**Mr. Good:** I couldn't get down. I had to be up in the House all the time.

**Mr. Shore:** Do you think you'll enjoy them next year?

**Mr. Breagh:** Mr. Chairman, what estimates are we prepared to do tomorrow?

**Mr. Chairman:** It is my understanding that the Ombudsman will be here after question period tomorrow.

The committee adjourned at 10:25 p.m.



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 Campbell, M. (St. George L)  
 Drea, F. (Scarborough Centre PC)  
 Good, E. R. (Waterloo North L)  
 Gregory, M. E. C. (Mississauga East PC)  
 Handleman, Hon. S. B.; Minister of Consumer and Commercial Relations (Carleton PC)  
 Lawlor, P. D.; Chairman (Lakeshore NDP)  
 Moffatt, D. (Durham East NDP)  
 Shore, M. (London North L)

### Ministry of Consumer and Commercial Relations officials taking part:

Bruce, M., Chairman, Rent Review Board.  
 Downey, D., Regional Operations, Rent Review Division.  
 Johnston, E. H., Financial Management, Programme Support Division.  
 Robbins, W. M., Executive Director, Rent Review Division.  
 Young, J. K., Deputy Minister.









# Legislature of Ontario

## Debate



Revised Hansard for Supply Committee No. 1, Friday, June 4, 1976

Due to the transposition of type on pages S-1460 to S-1463 of the original Hansard No. S-48, this issue has been reprinted as No. S-48(R). Please insert this revised copy in your file and destroy the original Hansard S-48.

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

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Friday, June 4, 1976

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Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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1976









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**ESTIMATES, MINISTRY OF  
TRANSPORTATION AND  
COMMUNICATIONS**

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## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

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FRIDAY, JUNE 4, 1976

The committee met at 11:09 a.m. in committee room No. 1.

#### ESTIMATES, MINISTRY OF TRANSPORTATION AND COMMUNICATIONS (continued)

On vote 2401:

**Mr. Chairman:** Item 2.

**Mr. Wildman:** I would like to ask a couple of questions about expropriation. I don't know whether that really comes under this vote. Would it?

**Hon. Mr. Snow:** No, it comes under capital construction.

**Mr. Wildman:** Fine. I'll leave that until then.

A recent press report stated that small towns in the north could not afford to maintain the airports that are being subsidized to build, and I wonder whether the ministry has any intention to include spending of that type in its budget or is it going to leave it to the municipalities to maintain.

**Hon. Mr. Snow:** That should be discussed under the appropriate vote, 2406, which is the air programme.

**Mr. Wildman:** All right. I will leave it to then.

**Mr. Godfrey:** Mr. Chairman, I was under the impression we were still discussing the general administration programme, so my questions may not be appropriate. I want to speak mainly about rail transport and lack of same. Is this appropriate?

**Hon. Mr. Snow:** I guess there is no specific vote for rail transport.

**Mr. Godfrey:** Thank you very much, sir. I think it comes under the heading of general philosophy and management systems. I noted your remarks, Mr. Minister, and the

remarks of the NDP critic when he was speaking earlier of the failure of the government to develop rail; recognizing, of course, that this is a federal responsibility, I realize my remarks may be accepted only as half applying to the province. However, I feel we must be taking more definite action here and I look to the Ministry of Transportation and Communications to lead us in this particular area; I recognize, of course, that you've already been burned once when you got into a rail transport system and you may be a little reluctant to get back into it again.

**Hon. Mr. Snow:** In what way?

**Mr. Godfrey:** With the Krauss-Maffei, Mr. Chairman.

**Hon. Mr. Snow:** I don't call that rail transport, sir.

**Mr. Godfrey:** Oh, do you call that air levitation?

**Mr. Chairman:** Order, please.

**Hon. Mr. Snow:** That is urban transit. It has nothing to do with railroads.

**Mr. Godfrey:** Oh, I see. I'm delighted to hear that you can differentiate that clearly. I usually take it that something that is large, long and moves a person from one area into another is sort of rail transport, and inasmuch as Krauss-Maffei moved upon rails—

**Hon. Mr. Snow:** Some of them are called buses and automobiles too.

**Mr. Godfrey:** I think a little bit longer—

**Hon. Mr. Snow:** Some airplanes are fairly long too.

**Mr. Godfrey:** Oh, you're clever. Let us continue talking about rail transport, because I'm sure you know what I'm getting around to. I'm concerned primarily about rail transport in northern Ontario, where many of the smaller communities desperately need it as a unifying force because many of them are cut off from their surrounding areas, particularly in certain months during the year.



I'm wondering what effort your government is making to persuade, convince, cajole or blackmail the federal government into maintaining rail services up there so these communities can remain viable.

Secondarily, in the same area, I'm wondering what effort your government is making to persuade the federal government of the need for effective mass people transportation from their standpoint and what you're doing to develop it from your standpoint. I realize the success that has gone on with the GO trains and I wonder why you have slowed down your development of GO trains. I say that deliberately, realizing you're going to give me several statistics that show that it is improving, but my answer is that it is not improving sufficiently in order to take care of our present demands.

I note with chagrin that we are proceeding with the expansion of Highway 401, 407 and other highways such as that. It seems to me that this is 19th-century thinking; we should be thinking more about mass transport on rails and not necessarily on buses.

Apropos of that, I would like a frank and honest answer from you as to your reaction to the recent announcement by the federal government with regard to the Quebec-Windsor corridor. I won't recall the details to you, you're quite aware of them, but quite obviously the main area which requires something done about it—that is, the Toronto-Montreal corridor—is not being developed for many years yet. Acknowledging the fact that Toronto-Windsor is desperately in need of help as well, I submit to you that the Toronto-Montreal corridor is a very important area too. I am surprised to hear that a forceful person such as yourself has sat back and let the feds do what they've done to us without having any remonstrance with them. I realize, of course, that you don't have control—

**Hon. Mr. Snow:** On what basis can you make such a hogwash statement as that?

**Mr. Godfrey:** On what basis did you object to the recent announcement?

**Hon. Mr. Snow:** How do you know?

**Mr. Godfrey:** I haven't heard a word.

**Hon. Mr. Snow:** Well, I made a statement in the House.

**Mr. Godfrey:** Not a very forceful one, sir. You said we'll wait and see; you said we're disappointed. I would be much more than disappointed, I'd be outraged and insulted,

particularly since you know they had said they would set up a combined study between the federal, provincial and possibly municipal governments as to transportation needs in southern Ontario; then they came out with their plan. I would point out that this is possibly the first time in history I have ever seen a Minister of Transport and Communications of your stature sit back and take that sort of nonsense.

[11:15]

**Hon. Mr. Snow:** With all due respect, you ramble on here, and I don't know when you're going to let me answer, but I assure you we're not sitting back. I made a statement within an hour after receiving Mr. Lang's telegram advising me of what announcement he was going to make that day. I stated I was going to request an early meeting with him. A meeting has been established. I'll be meeting with Mr. Lang on June 29—it was the first date that a meeting could be arranged—and we'll be making our views very well known to him. We've also had previous meetings. We had a meeting about six weeks or two months ago, I guess now, time flies by, where I put forward a very forceful position on rail and what we wanted to do with rail in Ontario.

**Mr. Reid:** Can we have a copy of your statement to the minister?

**Hon. Mr. Snow:** I don't think there are any copies available. I can tell you what I said, I guess.

**Mr. Reid:** Do you have a policy for rail transport in the Province of Ontario, something detailed and specific that we can see?

**Hon. Mr. Snow:** Not in a detailed policy, no. Our involvement in rail—and I think we should be discussing this under the appropriate vote—our involvement as a province, is with the Ontario Northland Railway and we're very much involved in northeastern Ontario through the ONR. We're very interested in improving service and it's been one of my top priorities since taking over the responsibility for this ministry. We met with Mr. Lang, we've told him what we want to do in northwestern Ontario and how we want to have our system improved and interconnect with the system that he is responsible for. Our staff are holding regular meetings on this.

**Mr. Reid:** Mr. Minister, what you're saying in effect then is that while you're prepared to do something in northern Ontario, which,



of course, I'm happy about, you're not prepared to make any detailed recommendations to the federal government as to what Ontario's viewpoint is as to what the rail system in the province should be, particularly in the Windsor-to-Ottawa corridor.

**Hon. Mr. Snow:** I've made my views very well known to Mr. Lang on that. There's CTC hearings on at the present time. I understand the provincial presentation is going to be made on June 28 to the CTC.

**Mr. Wildman:** Is it going to go further than the comments made in North Bay by the ministry, in which all you really said was you disagreed with some mileage numbers in Lang's statement and said that you'd co-operate with them?

**Hon. Mr. Snow:** We are monitoring the hearings that are being held all across Canada.

**Mr. Wildman:** I meant Sudbury, rather than North Bay.

**Hon. Mr. Snow:** We made very brief opening remarks at one of the early hearings—

**Mr. Wildman:** In Sudbury, yes.

**Hon. Mr. Snow:** —in Sudbury, and we stated that we would be making our major presentation at the appropriate time that was arranged for it, at the conclusion of their tour across Canada. I believe the schedule is established now for those presentations to be made on June 28.

**Mr. Givens:** Is this meeting on June 29, Mr. Minister, to be confined just to the question of rail, are you going to discuss other matters, such as the airport and STOL and other things that are important?

**Hon. Mr. Snow:** It is primarily to deal with rail but there will probably be several items on the agenda. We have an hour meeting arranged.

**Mr. Givens:** Really what I find difficult to understand, Mr. Minister, is can there not be a series of meetings with the minister in view of the number of other problems having to do with transportation that have to be worked out between the province and the federal government? The airport thing has got to be settled once and for all. Either we need one or we don't need one, and if we do need one we've got to get on with it. It's the same thing with the question of STOL and the same thing with intercity rail.

**Hon. Mr. Snow:** In all due respect, all these things are being worked on at this time. In my first meeting with Mr. Lang, after he became Minister of Transport in Ottawa and I became minister here—I think it was Dec. 8—we had a long meeting and covered many items. We agreed at that time on the establishment of the Federal-Provincial Committee on Regional Transportation. That committee has been set up.

We met again in January or early February. I had another meeting about a month ago, not an arranged meeting but Mr. Lang and I happened to be at the same place at the same time and had discussions. We talk on the telephone every week or two on different matters. Committees are working on the total passenger transportation study in southern Ontario; and—as a matter of fact I wish I had brought it over—I had a progress report from Mr. Lang which arrived on my desk this morning.

**Mr. Givens:** So that what you are saying is that lack of communication is no problem?

**Hon. Mr. Snow:** No, we have no problem. I am able to get through; as I say we talk on the telephone, he calls me or I call him every week or two on some matter; and when something seems to be dragging we get together by telephone or by a meeting, minister to minister. I'm really quite happy with the progress we are making.

**Mr. Godfrey:** Mr. Chairman, I am delighted to hear there is no problem with communication. Did he tell you about the announcement that he was going to make with regard to the Quebec-Windsor corridor?

**Hon. Mr. Snow:** Yes.

**Mr. Godfrey:** You knew ahead of time?

**Hon. Mr. Snow:** I knew there was going to be an announcement some time ahead of time. I did not know the content of it. I received a telegram an hour or two before the announcement was made stating what he would be saying.

**Mr. Godfrey:** Well, if I could go after that a little bit; it seems a little bit strange, if you're this buddy-buddy with the minister, that suddenly he pulls something on you by telegram an hour or two before he announces it, particularly when it is this important an item. I assure you that day in the House you were a little apoplectic when you reported—

**Hon. Mr. Snow:** What does that mean, I haven't got my dictionary?



**Mr. Godfrey:** Just look at yourself in the mirror right now and you'll know.

You were quite surprised and taken aback by that. I question, really, the confidence you can put in this communication. However, I won't belabour that fact.

**Hon. Mr. Snow:** Just a moment now. I was well aware that Mr. Lang—Mr. Marchand had made a statement a year or a year and a half ago on rail policy and I was aware further statements would be made. This had been discussed at our meetings, we knew a statement would be forthcoming. I think the last time in Ottawa they said within a month or two. We knew, through the staff level, that the statement was getting close.

I might say I was totally expecting that the statement, when it was made, I knew pretty well what was going to be in the statement as far as what they were going to do, except that I was totally expecting that the proposed improved service would be on two sections of line, that is from Quebec City to Montreal and from Toronto to Windsor. It was only when I got the telegram, about 11 o'clock or so in the morning that Mr. Lang was going to make the statement at 2 o'clock in the afternoon, that I found out the cabinet had approved only the Quebec section of the report.

I must say I was upset, but I don't believe—you refer to "blackmail" and you refer to all this kind of stuff; I just want to tell you I don't do business that way. You may, I don't.

**Mr. Godfrey:** I'm glad to hear that.

Then may I ask, in particular reference to the federal-provincial-municipal committee which was set up to study the transportation needs of southern Ontario, how did this most recent announcement affect that particular organization?

**Hon. Mr. Snow:** I don't know, I am sorry, what federal-provincial-municipal committee you mean.

**Mr. Godfrey:** You announced in the House last fall, sir, there would be an ongoing committee set up to study, between the feds and the province—

**Hon. Mr. Snow:** A federal-provincial committee; it's called, for short, FP-CORT. There is a similar committee in western Canada involving the three prairie provinces and the federal government; and there is one in the maritimes.

**Mr. Godfrey:** And this committee—

**Hon. Mr. Snow:** This committee is the Federal-Provincial Committee on Regional Transportation. Mr. Gerry Johnston, sitting here, is our senior representative on the committee; I forget the name of the gentleman Mr. Lang appointed from his ministry; they have developed the terms of reference or the programmes. I think Mr. Lang, in his letter to me that I received this morning, said that 16 different areas of study had been established and were proceeding.

**Mr. Godfrey:** Would it not seem a little inconsistent that if you have a committee set up to study the regional needs that the minister then comes out with a statement as to what is to be done before the deliberations have been made?

**Hon. Mr. Snow:** We anticipate that study, when we set it up or when we agreed to it, would take two years to do. We also agreed that everything should not stop dead for two years. There was no need for Mr. Lang to delay his announced improvement of rail service until that study was completed. That had been in the works and had been talked about for years. We're disappointed that it doesn't go far enough.

**Mr. Godfrey:** It seems a little strange that you have a committee studying it and fairly strong action has been taken with regard to the Toronto-Windsor corridor.

**Hon. Mr. Snow:** What do you mean by "fairly strong action"? I don't think any action was taken on the Toronto-Windsor corridor.

**Mr. Godfrey:** The minister has announced he will upgrade it.

**Hon. Mr. Snow:** He did? Where did you get that announcement?

**Mr. Godfrey:** That was my understanding of his announcement—Quebec-Montreal first; Toronto-Windsor second; and nothing for Toronto-Montreal. That was his statement as you will recall.

**Hon. Mr. Snow:** He didn't announce any—he said he would be considering the Toronto-Windsor corridor at a later date and might be making some future announcement on it. He did not make any announcement of upgrading Toronto-Windsor.

**Mr. Godfrey:** May I ask what happened to the non-governmental representation on that committee which you promised in the House earlier this year?



**Hon. Mr. Snow:** The non-governmental representation?

**Mr. Godfrey:** Yes. In answer to a direct question you—

**Hon. Mr. Snow:** I didn't say there would be any non-governmental representation on the committee.

**Mr. Godfrey:** In answer to a direct question in the House—I'm sorry I do not have Hansard with me—you said there would be non-governmental representation on that committee.

**Hon. Mr. Snow:** No, I did not.

**Mr. Godfrey:** Thank you. I'll check Hansard and come back to you.

**Hon. Mr. Snow:** I said there would be opportunity for public input and public participation as the committee proceeds with its studies but I certainly did not—I was not in any position to agree on behalf of Mr. Lang, and I certainly had no understanding with him, that there would be non-government people involved. This is a committee made up of senior staff of his ministry and my ministry.

**Mr. Godfrey:** The thing that concerns me about this whole thing is we already have a blueprint of what should be done between Quebec and Windsor. It has been on the books for the last five years or so—namely, the Soberman report, which advised certain technology which may or may not be developed by now. They had, as you recall, a two-phased plan which brought in the conventional type of rail transport as opposed to linear propulsion or other things like that.

In view of that, is your committee still actively pursuing that Soberman report?

**Hon. Mr. Snow:** I'm not aware of any Soberman report on Quebec City to Windsor.

**Mr. Godfrey:** I suggest you had better analyse your ministry and see what's available.

**Hon. Mr. Snow:** There may or may not be one around but I'm not aware of it.

**Mr. Godfrey:** You don't know about this report?

**Hon. Mr. Snow:** No, sir, I don't.

**Mr. Godfrey:** Do your assistants know about it?

**Hon. Mr. Snow:** Gerry, what are your comments?

**Mr. G. H. Johnston:** Yes, there was a report prepared several years ago for the Canadian Transport Commission, when Dick Soberman was with them, dealing with the Quebec-Windsor corridor. It looked at a number of new technologies—high speed rail; conventional rail, air modes of transportation and so on—and came to some general conclusions. That was a report of the Canadian Transport Commission and not a report of the federal government.

**Hon. Mr. Snow:** I wasn't aware of it.

**Mr. Godfrey:** Therefore, I presume, the findings in it are invalid because our boys didn't do it and we can't take the technology which they have suggested.

May I remind you that it proposed two possibilities: One was a conventional high speed railway corridor between Quebec and Windsor. It put a price on it at that time of \$490 million to upgrade trains to 125 miles per hour. It went on to a second possible stage, to take place in the late 1980s or 1990s, bringing in linear propulsion or any of the advanced modes which they were talking about at that time, which could be used.

It would seem to me this type of report has a great deal of merit. I would urge you to read it. You might save the taxpayer a little bit of money in the end if you are aware of it.

**Hon. Mr. Snow:** This was a report apparently prepared by the CTC. I must admit I have not had an opportunity to look at every report which has been prepared by every body in Canada.

**Mr. Godfrey:** This isn't a little two cent report. This is a major report done by the Canadian Transport Commission which, I'm sure, must have been available in your department. It really struck me as strange when you were talking about investigating transportation needs in southern Ontario that this hadn't been considered.

This isn't every report. This happens to be a report right on the matter of what your present committee is looking at. It happens to be right on the matter of what Lang has just announced.

[11:30]

**Hon. Mr. Snow:** I haven't actually seen a copy of it on my desk. I might point out that I've been minister now for about eight



months. The report was prepared five years ago or some time ago. But I'm sure this report and recommendations will be part of what the committee, the federal representatives and my representatives, will be dealing with.

**Mr. Godfrey:** I can appreciate that and I can appreciate that you've only been a minister for eight months. I've only been a member for eight months but I know about the report and I'm not even the Minister of Transportation and Communications.

**Mr. Reid:** I don't think there's much chance you ever will be.

**Hon. Mr. Snow:** You have a little more time than I have.

**Mr. Chairman:** Order, please.

**Mr. Godfrey:** I don't think I want to be really. Inasmuch as it does bear upon the subject, I thought I should bring it out and wonder why we are dragging our feet in its implementation. It has many advantages as you can well realize. We have a pressing employment situation in the province and the reconstruction of rail transport on high speed rail between here and Montreal and here and Windsor would do a great deal to solve our problems. It seems passing strange to me that most other countries of the same level of technology as we have do have fast transport. I will not quote the Japanese experience again; quite obviously we could have that type of transport if we had the yen to have it and we don't have that.

**Hon. Mr. Snow:** I must point out, although I personally am very interested in improved rail transport, and I've told this to Mr. Lang and we made our view known to him, we're very disappointed with the speed at which decisions have been made or not been made at the federal Department of Transport level. Since I've been minister, I've had many meetings with, for instance, the CNR. I had a meeting earlier this week with the vice-president of rail passenger service of the CNR to discuss different matters. I know of the frustrations of the railroads in getting decisions from the federal department that controls them.

**Mr. Godfrey:** If I may interrupt, where is the problem? It's self-apparent and everybody agrees that we need better, faster rail transport. Where is the bottleneck? Obviously it's not with you; you've just pointed out how enthusiastic you are about it. Where does the problem lie?

**Hon. Mr. Snow:** I think the problem lies in the federal Department of Transport making a commitment and making funds available and encouraging the railroads to proceed with acquisition of new equipment. It is my understanding in talking with different people that the railroads, especially the CNR, have been wanting to buy new equipment for years. Practically all their equipment is 30 to 40 years old. I heard one figure, that 15 per cent of their equipment per year has to be scrapped because it just gets so old. It is my understanding the CNR wanted to buy new equipment and put proposals forward to buy new equipment for the Toronto to Windsor corridor, which is not approved.

The only new equipment they have is the three Turbo trains which are running very well now and supplying an excellent service between Toronto and Montreal. But three trains can't supply the service that is needed. The CNR is a Crown-owned corporation and comes under the control and guidance of the federal government, I presume, through the Minister of Transport.

**Mr. Godfrey:** Have you ridden the Toronto-Montreal fast run recently?

**Hon. Mr. Snow:** I haven't, no.

**Mr. Godfrey:** I suggest that you might want to amend your words. On paper it's a very efficient and effective service but the rail bed doesn't hold up. Some of those ties are older than the trains.

**Hon. Mr. Snow:** The rail bed is a different thing. There are sections, as I understand, of rib and rail but they have not had the funds available to do it. This is one of the matters that they're doing. Of the \$30 million that was approved for the Quebec City to Montreal corridor, I understand the majority of that expenditure will be in rail bed improvements. We know about that. We're involved with it through our GO Transit. Some of the lines we will be using GO on have not had passenger service for years. The lines have not been kept up to the standard required for passenger service.

They're different trains; you've no doubt seen the press clippings. I think the Turbo train went about 130 mph over a two or three mile stretch where they had proper rails just recently. The LRC test train—I wouldn't call it a train, it's one locomotive and one car as I understand it. I had the opportunity to ride on it, but I couldn't accept it when they had a demonstration run from Ottawa to Montreal a few months ago. It was on a Monday. I heard about it on



the Thursday, I think, and I just couldn't be there myself. Mr. Clifford, the general manager of Ontario Northland, participated. That was when they were making a demonstration for the Amtrak people.

This is the problem. The \$30 million that's been made available is a drop in the bucket of what is needed to upgrade rail transportation.

**Mr. Godfrey:** Do you have a solid figure on that for Toronto-Montreal?

**Hon. Mr. Snow:** No, I don't have a solid figure.

**Mr. Godfrey:** May I draw your attention to the latest contract which was concluded with Amtrak. It read that for a comparable distance some \$498 million was needed to upgrade to first class that length of rail.

**Hon. Mr. Snow:** For what comparable distance?

**Mr. Godfrey:** The same distance.

**Hon. Mr. Snow:** Between Quebec City and Montreal?

**Mr. Godfrey:** No, no, between Toronto and Montreal. I'm a little bit provincial. It's not an outlandish figure.

But it seems to me passing strange when we all agree that rail is a very reasonable and real answer, that we can't get it. Do you think, possibly, that the failure of the ministry in Ottawa to make the commitment towards rail and the expenditure of funds for rail rests in those who make up the ministry? Are they more air-oriented than rail-oriented?

**Mr. Reid:** They're all ex-air force men.

**Mr. Yakabuski:** Pickering.

**Hon. Mr. Snow:** This is totally within the federal ministry. I don't know the staff—all of the staff. I've met many of them. They have different branches. They have an assistant deputy minister for air, I believe, and an assistant deputy minister for ground transportation.

Certainly, over the past 30 years it would appear there has been a lot more emphasis on air than there has on rail. That's obvious. The \$30 million commitment to improve rail in that short section in the Province of Quebec is a very small commitment.

**Mr. Godfrey:** It sure is.

**Hon. Mr. Snow:** They're spending \$130 million right now in improvements to Terminal 2 at Toronto International, so when you compare—

**Mr. Godfrey:** But you can assure us that your ministry is not air-oriented?

**Hon. Mr. Snow:** No, if you look at our ministry's programmes you'll see a very small amount of \$3.55 million out of \$985 million is our involvement in air.

**Mr. Godfrey:** Oh, yes, but it's not a fair comparison. You're mainly highways. I'm talking more about the background of your ministry; the senior advisers in your ministry come from rail rather than from air.

**Hon. Mr. Snow:** The air branch is such a small segment. I don't know. How many people do we have? Two that I know of.

**Mr. G. H. Johnston:** Three, sir.

**Hon. Mr. Snow:** Three people involved.

**Mr. Reid:** Can you tell us who they are? Who advises you on rail service in the province?

**Hon. Mr. Snow:** Rail? I'm talking air. There are three people in the air branch of the ministry.

**Mr. Reid:** How many in the rail branch?

**Hon. Mr. Snow:** Paul Davoud, Bill Miller and Don Davis.

**Mr. Reid:** And who advises you on rail?

**Hon. Mr. Snow:** Mr. Johnston is our chief planner of all kinds here. Of course, we have the advice of our own rail people in Ontario Northland as well.

**Mr. G. H. Johnston:** We have a transit planning unit which does most of our feasibility studies for GO services and which looks after requirements for commuter rail services in other parts of the province and works with the Ontario Northland. There is a total staff of about 18 people in that particular office.

**Mr. Godfrey:** Thank you. On that basis, I'm sure that we can say you're taking advice from different people and you've already pointed out that you haven't had put on your desk all the advice with regard to rail technology which is available. I would hope that we could keep a balance between the rail and the air, particularly as to how it affects southern Ontario, because it is a matter of business.



For example, it's a matter of business that Minister Lang will not allow further entry into Malton of some 10 foreign airlines because Malton doesn't have the capacity. I'm not speaking about this as an air problem, I'm speaking about this as a business problem. Those 10 airlines which want to come in would not constitute, at the very most, more than 30 aircraft movements a week. I see you raise your head, sir.

SAS wants to fly in twice a week; arrive at 3, leave at 8. El Al wants to fly in twice a week with the same type of off-hour flight times. Air Bulgar wants to fly in every hour on the hour, I'm sure, because of demand for traffic between here and Bulgaria! I just can't understand what Lang is talking about when he says we don't have the capacity at Malton to take care of those 10 more carriers, therefore they're cut off.

I'm not quarrelling with him about capacity. I'm quarrelling with him about the benefits which come to the Province of Ontario from the tourism business that saying yes to that would give us. It just doesn't make sense to me.

I would like to know if you, as Minister of Transportation and Communications, in the name of your government, with the interest of the businesses at Malton at heart, have made a strong protest to Lang that this is ridiculous—utter hogwash I think was a word which you used earlier; maybe you could use it on him.

**Hon. Mr. Snow:** We have not discussed that particular matter since he made that announcement. I believe he made that announcement in answer to a question in the House of Commons. I don't think it was an announcement, really. He made the comment, obviously, but I believe it was in answer to a question.

I have not taken a stand and have not had an evaluation done. With three people in our air branch, who are mainly involved with the remote airport programme in northern Ontario, we don't pretend to have the same expertise as the tremendously large number of staff that Mr. Lang has in his ministry. He is responsible for air administration, for air traffic control, for airport development and operation, which we're not—and I assure you we don't intend to start to parallel the expertise and the duties of his ministry.

**Mr. Godfrey:** I can appreciate that, Mr. Minister, but it seems to me—go ahead, Mr. Givens.

**Mr. Givens:** I just wanted to comment on this. I want to underscore what Mr. Godfrey is saying. This wasn't just an offhand remark of Mr. Lang's on the question of these airlines. Those are definite statements. These airlines want to get into Toronto.

With respect, Mr. Minister, I suggest that this is a matter of very serious importance, because it isn't just a matter of convenience for these foreign airlines to come in and make a couple of pickups here in Toronto. This area of southern Ontario, which is considered the golden horseshoe, is a gateway to the world.

It is a question for you to consider as to whether southern Ontario is going to continue to be a gateway to the world for foreign carriers, and who are going to have the right to come in here and do business in this very cosmopolitan centre, whether we have a second airport or we don't have a second airport. If we don't need one, then Malton should be able to accommodate these airlines which are going to make these 20 or 30 traffic movements. I agree with Mr. Godfrey; we are not talking about more than 20 or 30. I think it is important to determine.

I think it's important for you, as the minister for Ontario, to say that these people should have the right to come in here and to maintain this area as a gateway to the world. I think it will be terrible if we have to reconcile ourselves to the fact that for the next 15 or 20 years these airlines will not be able to come in here and will have to resort to Mirabel.

We cannot foreclose ourselves as a prominent gateway. I keep on referring to this area as a gateway to the world, because that's what it is. It is no longer a matter of puddle-jumping over the Atlantic and landing at Montreal. With the range of planes the way they are today, they can come into Toronto—and should come into Toronto—and it's to the benefit of the whole province of Ontario. It is important that it be maintained as such, Mr. Minister.

[11:45]

**Hon. Mr. Snow:** Of course, I agree with a lot of what you're saying. Landing rights and international agreements are far beyond the scope of my responsibilities. The Minister of State and everyone else is involved. When landing rights are concerned, rightly or wrongly this is the way it is handled.

**Mr. Givens:** There is no question that it is beyond provincial—



**Hon. Mr. Snow:** Do you think that I should take on that responsibility?

**Mr. Givens:** No. It is beyond you constitutionally but I suggest to you that what is happening here is they are being punitive about this.

**Mr. Godfrey:** No, they are blackmailing; let's put it that way.

**Mr. Givens:** They are being punitive. I don't want to use the word "blackmail"; they are being punitive. There is no question in my mind that they can permit them—

**Hon. Mr. Snow:** I'm very glad to hear you make that statement about your federal colleagues.

**Mr. Givens:** You know about my history. I've got a history up there, too—my history in Ottawa. They are being punitive about this because they are trying to create a situation here because they want to get into Pickering.

I don't want to get into that—whether we need a second airport or not—but in the interim period while we're awaiting this great and momentous decision as to whether or not they are going to go ahead with the second airport—it will be interesting to know whether or not they're just conning the troops while they are spending this money and acquiring this property out in Pickering—while they're awaiting a decision on this, what are they going to do about these airlines? Are they merely using this as another pressure point on you? Are they using a punitive measure for the purpose of another pressure point in order to create the situation they want? Constitutionally, it's none of your bloody business; no question about that. But if I thought somebody was trying to give me a rooking, I'd bloody well do something about it. That's what I think is being done. We are all being shafted.

**Hon. Mr. Snow:** This is a very recent announcement of Mr. Lang's. It was made the day after one additional airline was granted landing rights. I forget which one.

**Mr. Godfrey:** Air France.

**Hon. Mr. Snow:** Air France; okay. I recall, thinking back over the past two or three years, that Alitalia was granted rights into Toronto about three years ago. Lufthansa—

**Mr. Givens:** The big ones — Lufthansa, Alitalia, BOAC—have been here for a long time now.

**Hon. Mr. Snow:** Pardon?

**Mr. Givens:** The big ones have been allowed in.

**Hon. Mr. Snow:** Lufthansa has only been in for about two years.

**Mr. Givens:** Yes, but it's the big ones.

**Hon. Mr. Snow:** And Alitalia and now—

**Mr. Givens:** BOAC and Air France.

**Hon. Mr. Snow:** BOAC has been coming in for years. Now there is Air France and, of course, many of the American airlines. These are very protracted agreements, as I understand, because when a foreign airline is allowed in here Air Canada or CP Air has to be allowed—

**Mr. Givens:** A quid pro quo.

**Hon. Mr. Snow:** —some additional landing rights there. I agree that a few more—I won't pretend to give the number of flights. We discussed this in some detail on Wednesday and the decisions or the landing procedures—the air traffic control procedures established and operated by the federal government—govern the number of flights which can be handled.

Also, if you read Hansard from Wednesday, I talked about the curfew—no landings or takeoffs after 11 o'clock at night or before 7 in the morning—which outlawed use of some of these special cheaper charter flights. They could get better use of their aircraft by running a flight leaving at midnight or one in the morning to Florida or somewhere, when the airplane would normally be sitting on the ground anyway.

If the airlines were able to use those night periods they would be able to get better utilization of equipment and offer cheap flights for people going on holidays and so on who aren't concerned about what time of day or night they travel. We have the situation at Malton, because of the development around there, that a curfew is established on the use of the airport by turbine aircraft. If you decide that planes have to have a five-minute delay between departures because of vortices and so on, to reduce that to four minutes or three minutes you may lose some degree of safety.

I think the airline system, both the airlines and air traffic control in Canada, has a tremendous record of safety. I'm not going to comment on whether they can tighten up their control procedures and get more aircraft in and out. That's the controlling matter. They can build more terminals. They can



build more roads to Malton to take the people to and from the airport but it's the actual handling of the air control that will limit the use of that airport.

Mr. Godfrey knows that I had a meeting last fall with the Toronto Airport planning advisory committee or something. It was a citizens' group. They had an expert there, a doctor—I forget his name—but he was the head of the International Air Carriers Association, I believe it was. He gave me all kinds of statistics that looked very believable to me. We've got a 4,500 acre airport at Malton and we handle so many million passengers a year. Heathrow is 3,000 acres and handles two or three times as many. Los Angeles is this. When you look at these figures, they're very convincing. I'm a pilot myself and fly in and out of Malton periodically and I do understand, I think, certainly more than the average person does, about air traffic control. I don't intend to comment on the policies of the Minister of Transport on his air traffic control regulations.

Mr. Godfrey: Mr. Chairman, I will be finished in just a moment. In saying that you didn't want to comment on those things, you did comment on them invidiously by suggesting we might need night flights or curfews or suggesting the turbulence problems and things like that.

Hon. Mr. Snow: I just stated what the present situation was.

Mr. Godfrey: I would like to clarify that I'm not in favour of night flights, nor am I in favour of lifting a curfew or changing a curfew or anything. What I'm talking about are 10 airlines which want to fly into Toronto, at the most three times a week, let's put it that way, which have been refused permission by the Minister of Transport, with whom you communicate on a friendly basis—I gathered it was every hour, but maybe it's every week or two weeks. Surely at some time in a hiatus in a conversation you could bring up again if it would be feasible.

Hon. Mr. Snow: I haven't had an opportunity. I haven't spoken to Mr. Lang or met him since he made that statement.

Mr. Godfrey: Do you think it might warrant a call on one of our credit cards?

Hon. Mr. Snow: No, we have a direct line to Ottawa.

Mr. Godfrey: This is very important that we have this clarified because I do insist that this is dirty pool. You can have all the trust

you want in the federal-provincial arrangement, and I appreciate your remarks. I was a little hot previously when I accused them of not playing the game fairly in view of the fact that we do have a committee established ongoing to investigate transportation needs.

Here's a prime example of somebody who has gone outside the accepted norm. He might have phoned you up or he might have phoned the Premier up and said: "I realize it's going to hurt business in your area but I have to cut off these 10 airlines." Do they think that way? No. I think, in common courtesy, and I'll finish now, you should be speaking to him about that in order to give us a definitive answer and get those airlines into Malton.

Mr. Davison: I want to ask a specific question on financial and management services. Would that be in order?

Hon. Mr. Snow: That is what we are supposed to be discussing.

Mr. Davison: On page 19 of your annual report you talk about the financial branch. It says: "The branch is also responsible for the prequalification of contractors who wish to bid on ministry contracts." What kind of prequalification process is that?

Hon. Mr. Snow: That's quite a detailed process. I guess it started in the ministry in the early 1950s when the ministry made the decision to prequalify all contractors. I'm a little bit familiar with it because back in the mid-1950s my own company was qualified, although we never did a contract for the ministry. It is based on the amount of working capital, the financial background of the company, the amount of equipment they have available and their experience. A firm is allotted a volume of work that they can do at any one time. It may be decided that a certain company can handle \$10 million worth of work. That would be their rating. Now it's broken down in different classes of work—structures, paving, grading, and so on.

A company with a \$10 million rating may have \$5 million worth of contracts on hand. Now that may be contracts with the ministry, or contracts with municipalities or with private industries, but that amount is deducted off their rating, so that leaves a \$5 million net available rating, which is the maximum of new contracts they can bid on.

Mr. Davison: In conjunction with this, do you qualify them on any basis other than financial stability?



**Hon. Mr. Snow:** On past performance and this type of thing. If a contractor gets a demerit point for not doing something in accordance with a contract, they will have a penalty imposed against them and it will reduce their rating.

**Mr. Davison:** That's good; I didn't realize that.

In your former ministry, the Ministry of Government Services, they have instituted an investigative policy for companies to which they give contracts whereby they run a corporate check on the company and compare these to various records that are outstanding. I understand that in the future they're going to be comparing these corporate checks to records in the Attorney General's office to check for a criminal background and other such things. Are you doing that currently in this ministry?

**Hon. Mr. Snow:** Not to my knowledge. Of course, we have full information on all these contractors. Many of these firms have been qualified for years and years; and they submit updated financial information at least annually, but probably quarterly.

There is a different situation between the Ministry of Government Services and this ministry because we're dealing with the specific type of construction and a limited number of contracts. How many qualified contracts do we have? Can somebody tell me?

**Mr. Gilbert:** There are 250.

**Hon. Mr. Snow:** And those are the people who have applied. Anybody can apply to be qualified; they may not be even doing work for the ministry, but they can have their qualification registered so that if something comes up that they want to bid on, then they can do so.

With Government Services, for instance, calling tenders around the province for buildings and renovations and alterations, it would be an impossible situation, I think, in that segment of the construction industry to qualify them. It wouldn't be impossible, but to set up the mechanics to qualify all types of contractors would involve thousands of them. That ministry works through a bonding basis.

Of course, I am also very familiar with that. For a company to establish a record to get a bonding company to supply bid and performance bonds they go through almost the same type of a ritual with the bonding company as the road contractors do

with our ministry. You have to give them all your financial statistics; they know your background, they know the amount of work you've got on hand when you apply for a bond.

If you phone up the bonding and say, "I'm bidding a \$1 million job," they will say, "Well how much work have you got on hand, and what's the status of it, and what's the uncompleted portion?"—and so on.

**Mr. Davison:** Am I right in assuming that the only prequalification points you look at are the financial stability of the company and its past work record?

**Mr. Gilbert:** Maybe Mr. Adcock could give a little more detailed summary, Mr. Minister.  
[12:00]

**Mr. Adcock:** We look, firstly, at the financial situation of the company. Once a year the company must submit an audited financial statement. We look at its past performance, we look at its equipment and, as the minister has suggested, any problem that they have caused us which can give them penalty points which can reduce their rating.

So there are really three factors. Financial ability, equipment and performance.

**Mr. Davison:** That's what I'm getting to. If you've had trouble with a company in the past, very serious trouble, if that company simply changes its name and structure will you be aware of that through your checking methods? Are they such that you are aware of the corporate ownership?

**Mr. Adcock:** Yes.

**Hon. Mr. Snow:** I'm sure these companies are working with our people all the time and we are very familiar with them.

**Mr. Davison:** Okay, that's all. Thank you.

**Mr. Yakabuski:** Mr. Chairman and Mr. Minister, I didn't want to get back on what they were talking about a little while ago, but I'd like to talk about that rail business—the Montreal-Quebec City corridor versus the Toronto-Windsor corridor.

First, I'm sure that you and your people were very disappointed when it was announced that the Montreal-Quebec City phase would be done first and that some \$30 million would be spent. This has had—and I'm sure you are aware of it—serious repercussions right across Canada. This may be an unfair question, but in your opinion and in the opinion of your staff, in terms of present service, in terms of people being served, would not the



Toronto-Windsor section have a higher priority than the Montreal-Quebec City run?

**Hon. Mr. Snow:** We would certainly say yes, and the information I have from talking to people involved with the railroads—and I even met with the leaders of the railroad union. In fact I met with them twice, I believe. Once in my office and once when they appeared before policy field. From all the different opinions and information I have, the Toronto to Windsor corridor has the highest potential and the highest economical base for passengers of any corridor in Canada, I believe.

It's a relatively short distance. You notice the CN advertisements that have been in the press and on the radio this last short while, pushing passenger service in that corridor, quote a relatively short travel time. For instance Toronto to London—Toronto to Windsor, not that much—certainly as far as London is concerned, downtown to downtown I think it's quicker than you can go by air and a fraction of the cost.

I have met with the LRC people and they had schedules and charts all worked out showing the savings and the fuel economies of rail service on these short hauls. We're not going to get trains replacing airplanes for people who are going to Winnipeg, or Vancouver, or Halifax, but to Montreal they are competing quite well. If the road bed was upgraded and the trains were faster they could cut another hour off the schedule. I think it's four and a quarter hours to Montreal or something now. If they could get an hour off that time then they would really be competing time-wise with air.

We really think, from all the information I can get from all the sources and all the people I talk to in the course of a day, yes, the Toronto-Windsor corridor is the one that should be given high emphasis.

I really think that's the viewpoint of the Ministry of Transport in Ottawa as well. I don't have anything to prove it, but I have a feeling that the Ministry of Transport officials and the Minister of Transport made that recommendation for both services. As I say, I can't prove it and maybe shouldn't say it, but it is my feeling that the recommendation of the ministry was for both the Toronto-Windsor and the Montreal-Quebec City runs, and when that recommendation went forward to the federal cabinet it was changed.

**Mr. Yakabuski:** Was there an estimated—

**Hon. Mr. Snow:** I've just been given a couple of figures here. The total of passengers

carried in 1974 from Montreal to Quebec City was 220,000; from Toronto to Windsor 766,000.

**Mr. Yakabuski:** Was there an estimated cost? We know the estimated cost of the Montreal-Quebec deal was \$30 million. Was there an estimated cost for Toronto-Windsor?

**Hon. Mr. Snow:** I haven't seen it. If there was I don't recall it. It would be a longer haul. What are the distances, do you know offhand? Anyway, it's a longer distance.

The federal government also—I don't know whether or not it's been officially announced but we're aware of it—is planning to call tenders or call for proposals on the supply of 10 new trains. Three are definite and seven are indefinite. In other words, they want the companies—there are three companies really in the train business or which could be in the train building business. There is the Bombardier-Montreal Locomotive Group, known more commonly as the LRC; there is the United Aircraft-Canadair consortium which has the Turbo; there is what they call the Futura, which is General Motors Diesel in London and Hawker Siddeley in Thunder Bay.

If you were to go out and buy 100 new trains tomorrow, if you wanted to buy them in Canada, presumably those would be the three companies which would be expected to put in proposals. We understand they're going to call for proposals for 10 trains; three of which will be definite; they would be for this Quebec City to Montreal route. At the same time they'd be getting a price or an option on seven additional ones. Presumably they might be for Toronto to Windsor.

I'm advised that would not be enough to supply appropriate service on either route. Also, people in the know say that a 10-train order is not an economic order for any company to gear up for production. All LRC has done is build one locomotive and one car with which they've done a lot of testing all over the country. Of course, United Aircraft has built the three trains for the CNR and, I think, three for the United States. The Futura is the General Motors-Hawker Siddeley train. Although they're building locomotives and cars all the time, the proposed new train is just on the drawing boards, it's never been built.

I think that to get any real economy with new equipment, one would have to consider ordering 20 to 25 trains.

**Mr. Givens:** What about the foreign stuff?



**Hon. Mr. Snow:** I guess one can consider foreign stuff, too.

**Mr. Givens:** Yes, but what are we going to do with 25 trains? We haven't got that big a market here.

**Hon. Mr. Snow:** It all depends. In Canada? My God, certainly.

**Mr. Gilbert:** Nothing has been done with railway equipment in this country for 30 or 40 years and really it badly needs upgrading. Certainly the funding is the problem but the equipment itself is worn out.

**Mr. Givens:** Isn't that deliberate—a deliberate policy of benign neglect? They're not really rail-oriented and they figure the day of the railway has gone, except for freight?

**Mr. Gilbert:** That was certainly the idea a few years ago. I think it's turning around now. The CNR people, as the minister has mentioned, appear to be very enthusiastic about corridors such as the Toronto to Windsor one or at least one good system across Canada and things like this.

**Mr. Givens:** Yes, where there's a heavy population density. Generally, there's a lot of lip-service paid but there's an anti-rail bias in the—

**Mr. Gilbert:** In the railway?

**Mr. Givens:** Yes, except in places where there's a heavy population density like Toronto-Windsor.

**Hon. Mr. Snow:** I think—

**Mr. Givens:** There's an anti-passenger and anti-railway bias except for handling of freight. It is the same thing as we were talking about before, as to why there isn't more done about rail transit between Toronto-Montreal, and so on. There is a basic bias.

**Hon. Mr. Snow:** I don't know whether or not Mr. Lang is going to be able to keep up with the schedules that he has set down; this is on the transcontinental, which is one of the first services that has to be rationalized. The outcome of that might be hard to assess, but it might be a joint service—one transcontinental rather than two—with new equipment and better service. We are very interested in that, because of our Ontario Northland service running north from Toronto to Kapuskasing, and how that can fit in with the transcontinental, perhaps inter-connecting in some way.

We are very interested in new passenger equipment for the ONR. We are in the same boat. Our old clunkers of passenger trains on the ONR are as old as the CNR's and the CPR's. We would need two or three trains. We have been doing all kinds of studies. The ONTC people will be here on Monday and will be able to discuss this in more detail, but we have been looking into new equipment. We have got to work with the CNR. We have got to work with the federal government. There is no way we can go out and order two or three brand new trains. The cost would be double or triple what they are worth.

If we went to LRC tomorrow and said, we want three new trains for our service I think they would love to get an order; but I don't know how we would ever work out the cost, because we certainly aren't going to front-end the whole development cost to get that new train into production.

CNR is responsible for the service from Toronto to North Bay; we are responsible from North Bay to Cochrane and then the CNR again from Cochrane to Kapuskasing. This is not a great problem. I think the CNR and the ONR can rationalize and work out an agreement to run an excellent service but we are going to have to have some co-operation from the Canadian Transport Commission and the federal minister to do so.

**Mr. Yakabuski:** Mr. Chairman, there are a couple of things, and maybe I want to comment on the past discussion. I think there was a trend in our society for people to use the automobile. Then our highways and streets became more plugged and I think the trend is reversing. People again are using trains in certain areas, like the corridors we have mentioned, because of highway congestion.

You were talking about railways letting the equipment run down. I believe in the adage of use them or lose them. The member for Grey-Bruce (Mr. Sargent) screamed in the House for years about the service between Owen Sound and Toronto, while he himself rode down here in his white Lincoln or white Cadillac. So I say it is a matter of use them or lose them. I think we have got back to a stage in our society where people again want to use them.

**Hon. Mr. Snow:** There have been some major changes in economic matters, such as prices of fuel, that are making people think differently today.



**Mr. Yakabuski:** Getting back to the Toronto-Windsor corridor, would there be relocation of track, would there be much up-grading of track? We have talked about equipment—we realize the need for that—but would there be much in the way of upgrading of trackbed and track, and relocation of rail lines?

**Hon. Mr. Snow:** I am not aware of too much planning for the relocation of lines. The track depends on the level of service you want to supply. You can put new trains capable of doing 125 mph on that track, but you won't be able to run them at 125 mph. You would probably be able to run them at 75 mph or 80 mph maximum, or something like that, because of the curves and because of the type of rail.

[12:15]

Now if you go to new welded ribbon rail, as they call it, with no joints, you get a much quieter, smoother ride. You can run faster with the same degree of safety. There will probably have to be some adjustments on some curvatures to take that high speed. So you can run new equipment and improve service and, of course, the way they run the service is like an airline. There is no reason why a railway coach can't have the same stewardesses serving lunches and drinks on them as an airplane does; there is no reason not to if one wanted to do that. That's what the public wants and I think that's what the public should be given if that is what it is going to take to encourage people to ride the rails.

To get back to your question, the big cost is on the upgrading of the track and that depends on how fast you want to run on it.

**Mr. Yakabuski:** If there is not the upgrading of the track you are not going to get the desired speeds. You are not going to get people to use them if you don't have the desired speeds.

I asked that question because somebody, I think it was Mr. Godfrey, mentioned job creation, etc. and this really wouldn't be a major factor in job creation in this province—it would be nothing like the development of the Pickering airport or that whole area northeast of Toronto as far as job creation and development in our province goes. I just wanted to make that point.

**Hon. Mr. Snow:** It would create quite a few jobs. I mean, if you are going to rebuild the tracks and put new rail on it is going to create a lot of jobs one place or another

too. Any work like that you do can't help but create jobs. Maybe they are for a different group of people, but it will create jobs. The building of the new trains will create jobs in many factories across the country—not if we buy some European train or something. That is not going to create jobs.

**Mr. Yakabuski:** I don't think that would be the intent of the Canadian Transport Commission.

**Hon. Mr. Snow:** Well, they tried to buy \$1 billion worth of airplanes.

**Mr. Yakabuski:** Well, that resulted in "Go Goyer Go."

**Hon. Mr. Snow:** They are buying a couple of hundred million dollars' worth of new tanks—from Krauss-Maffei, of all people.

**Mr. Wildman:** Have they got wheels?

**Hon. Mr. Snow:** No, they have tracks, I think.

**Mr. Yakabuski:** They will be able to get down that Spadina ditch.

**Hon. Mr. Snow:** To think that our automotive industry and our general industry in Canada—I just can't believe that they could not have manufactured that \$200 million worth or whatever it is—\$175 million, maybe I'm stretching the estimates I have heard a bit. Why couldn't those tanks have been built here? Maybe they didn't want to develop new technology. Surely there could have been a licensing agreement or something and those tanks could have been manufactured in Canada. If I had been the minister responsible for purchasing them in Ottawa I am damned sure I would have had them manufactured in Canada some place.

**Mr. Wildman:** Then again, the provincial government used Krauss-Maffei as well.

**Hon. Mr. Snow:** They weren't going to be manufactured over there though.

**Mr. Spence:** Mr. Minister, in southwestern Ontario for the last two falls we have had a serious situation in regard to the supply of hopper cars. CP and CNR supply about 200—and some hopper cars to take care of the corn harvest in southwestern Ontario.

In the last two years the price of corn reached a very satisfactory height and the farmers sold their corn instead of fed it. For the last two years we had a serious situation with the elevators not being able to get sufficient cars because the market has been in Montreal and in Nova Scotia, New



Brunswick and Prince Edward Island. There were 215 cars supplied for southwestern Ontario by the CNR and CPR. This hasn't been sufficient to take care of the needs of the harvesting of corn.

**Hon. Mr. Snow:** I understand the problem but it is really and absolutely and totally outside our jurisdiction.

**Mr. Spence:** All right, you have nothing to do with it.

**Hon. Mr. Snow:** All I can do is write a letter to Mr. Lang, the same as you could, saying we need more cars.

**Mr. Spence:** We even called Mr. Lang. Then there is the harvesting of wheat in the west at the same time as the corn harvest in southwestern Ontario.

**Hon. Mr. Snow:** I know the federal government did order a lot of new cars but basically they were for western Canada.

**Mr. Spence:** Yes, they manufacture them, I understand, at Hamilton and they are turning out eight hopper cars a day. We tried to convert them to take a load of corn to the Maritimes but we couldn't persuade them that we needed them.

We have a railroad in southwestern Ontario—it would be the old Michigan Central or Penn Central—and we read in the paper they've gone broke. The movement of trains on that track is down to a very small number. At corn harvest time they don't supply any hopper cars to the elevators. They move all their hopper cars back to the United States for the corn harvest there. They don't supply this service which they must have agreed to when they signed their agreement to have the right of way through western Ontario. They must have had to supply some service but they don't supply any hopper cars for the right of way through Ontario.

**Hon. Mr. Snow:** As I say, I understand the problem. There is nothing—

**Mr. Spence:** Nothing you can do?

**Hon. Mr. Snow:** I don't think it comes within the jurisdiction of our ministry at all or of these estimates. It is something that is strictly under the railroads, the federal Minister of Transport.

**Mr. Spence:** We even tried to get the Ontario Northland to supply some of their hopper cars to southwestern Ontario during the harvest but we couldn't get any of them. I understand you have quite a number which

you use for the mines or transporting chemicals.

**Hon. Mr. Snow:** ONR has a number of hopper cars which we use in a unit train system on a designated route which just goes back and forth between Hamilton and Temagami.

**Mr. Spence:** Then you have no control over this Michigan Central or Penn Central.

**Hon. Mr. Snow:** None whatsoever.

**Mr. Spence:** You don't know whether it is broke or whether it is going to be sold or whether—

**Hon. Mr. Snow:** I don't know.

**Mr. Spence:** You have no connection with this whatsoever? Fine, Mr. Minister.

**Mr. G. I. Miller:** Mr. Chairman, I was interested in the discussion of the improved rail service between Montreal and Windsor and I have a couple of questions. Does better equipment and better service attract more use of the service? What are the statistics on that over the last few years?

**Hon. Mr. Snow:** I don't know how you would have any statistics because there hasn't been any new equipment for the last 30 years.

**Mr. G. I. Miller:** But hasn't that run between Montreal and Toronto been in service now for a period of—

**Hon. Mr. Snow:** The Turbo, you mean?

**Mr. G. I. Miller:** Yes.

**Hon. Mr. Snow:** Yes, it had its problems. It was new technology and they had some problems but it is running very successfully now and doing a good job.

**Mr. G. I. Miller:** Has it attracted more use?

**Hon. Mr. Snow:** Yes. I think it has. Do you have any statistics, Gerry? There is a report which the federal government puts out on every passenger train in Canada. There is one in there, some train running in Manitoba, which carries an average of one passenger a day.

**Mr. G. I. Miller:** I noticed on Wednesday, I think there were 117, between Windsor and Toronto, which didn't have all that much use.



**Hon. Mr. Snow:** There is a service—I've got an application now to discontinue service, for instance, on a line between Sudbury and Sault Ste. Marie.

**Mr. G. I. Miller:** That was the one that you—

**Hon. Mr. Snow:** It was carrying an average of 14 passengers a day. I can't argue that that service should be maintained or upgraded. I don't think the business is there because they can go by bus and take an hour less or some such thing than going by train. The bus lines can very easily handle those 14 passengers a day. There are other lines, as we discussed last Wednesday, for instance, the one between Thunder Bay and Winnipeg in Mr. Reid's area, which isn't carrying that many more passengers, I don't think, but it is a different situation. It's going through remote areas which don't have any other service. There is another reason for that.

**Mr. Gilbert:** We only have 1972 and 1974 in this book of the federal government. It shows it is just about holding its own. There is no significant difference between the two years, 1972 and 1974 on that route.

**Mr. G. I. Miller:** With a better service, they might have done better.

**Hon. Mr. Snow:** I am not sure that a better service was running during those years. The Turbo was off more than it was on during those particular years.

**Mr. G. I. Miller:** Maybe we could improve this between Toronto and Hamilton where the GO train is running out to Burlington and does not come into the city of Hamilton.

**Hon. Mr. Snow:** Yes, it does.

**Mr. G. I. Miller:** The GO train?

**Hon. Mr. Snow:** Yes.

**Mr. G. I. Miller:** Can you get on the GO train in Hamilton and get off here in Toronto?

**Hon. Mr. Snow:** Yes, twice a day. There are two trains in the morning and two at night. All of the service doesn't go through. That will be greatly improved in about another year or a year and a half.

**Mr. G. I. Miller:** That's was I mean. Do you not feel that it would get more usage if it was run on a pattern with better service? It would attract more people and more

use between Ontario's densely populated areas.

**Hon. Mr. Snow:** I don't get your point. We know that. The ridership on the GO transit has been increasing. I haven't got the statistics here. We will have them when we get to that vote but it has been increasing monthly and by 25 and 30 per cent a year and so on. That's why we have bought 80 new double-deck cars to be able to handle more passengers on the lakeshore run and we will be extending the service. The service runs every 20 minutes as far as Oakville during the rush hours and once an hour during the off hours. But there are only the two trains go through to Hamilton and that's because of operation limitations on the track and that is being corrected. We are making a separate arrangement with the CPR to use one of their lines into Hamilton. Hamilton is a very God awful place to get into with rail because of the bay there and so on.

**Mr. G. I. Miller:** It is difficult to get on to the CPR.

**Hon. Mr. Snow:** We are going to change stations. The GO passengers in Hamilton will use the TH and B station, rather than the CN station, which will be handier, I understand, in Hamilton and we will have an increased number of trains. In the meantime we have GO buses running from Hamilton as far as Oakville so the people get on the bus in Hamilton and change in Oakville on to the trains.

**Mr. G. I. Miller:** That's not really good service when you have to change from one to the other.

**Hon. Mr. Snow:** That's all we can do at this moment until the new double-decker cars come. They are being manufactured right now. The delivery starts on those in early 1977.

**Mr. G. I. Miller:** Are the GO buses subsidized?

**Hon. Mr. Snow:** They are provincially operated.

**Mr. G. I. Miller:** Provincially operated and subsidized by the province?

**Hon. Mr. Snow:** Yes.

**Mr. G. I. Miller:** Then, would it be possible to extend that subsidization a little further into southern Ontario or into that Niagara Peninsula?



**Hon. Mr. Snow:** No. It's a commuter service. I mean we have certain rationale for it. We subsidize commuter services all over the province and municipal transit services but we do not subsidize inter-city transit service.

**Mr. G. I. Miller:** Do you not feel that's a little unfair?

**Hon. Mr. Snow:** No, not at all. Do you think we should be subsidizing all the buses running to Owen Sound, and to North Bay and to Windsor and to Thunder Bay? These companies are supplying an excellent service on a private enterprise basis and I hope they will always continue to do so.

**Mr. G. I. Miller:** I would hope so too.

**Mr. Gilbert:** We are relieving the transportation corridor as far as the Lakeshore is concerned. In other words, we take the passengers that the Lakeshore is carrying as far as the QEW. The QEW is packed, as you know right now. It is a transportation corridor that we are relieving. A lot of these bus services that are running in and there's plenty of capacity on the highways leading in. From the point of view of the commuter service that GO runs, it's relieving the transportation corridor.

**Mr. G. I. Miller:** I think again the city of Hamilton is subsidizing the bus service that comes into that area, like Canada Coach—  
[12:30]

**Hon. Mr. Snow:** We are working with the city of Hamilton and the region of Hamilton-Wentworth on the Canada Coach line situation. Canada Coach always used to operate at a profit but they have been having losses the last few years which have been subsidized to a degree. They're not only operating an inter-city service, they're also supplying a portion of service inside of the commuter area, so we're working with them. We've had a couple of meetings sorting that out. They're going to rationalize and change their whole transit system and sort of separate routes that Canada Coach are serving and have them part of the regional transit system and then they will be qualified for subsidies.

**Mr. G. I. Miller:** So that is being resolved?

**Hon. Mr. Snow:** But we're not going to start subsidizing Canada Coach Line's route from Buffalo to Hamilton, which is making a profit.

**Mr. G. I. Miller:** That's understandable. I have another question, maybe on a different

vote. What qualifications do you have to have to turn a regional road over to provincial jurisdiction? What are the qualifications?

**Hon. Mr. Snow:** I'm sorry?

**Mr. G. I. Miller:** Turning a regional road into a provincial road? What qualifications do you have to have? Isn't there criteria?

**Hon. Mr. Snow:** That would come under the highway vote. I don't think that's under administration.

**Mr. G. I. Miller:** That's not under administration?

**Hon. Mr. Snow:** It is a two-way switch. Lots of times there are several highways that are reverting to regional roads. On the odd occasion, a regional road can be taken over as a highway. We're now working in the Woodstock-Ingersoll area. We're exchanging a regional road they have and we're going to make that Highway 2. The present Highway 2 will revert back to a regional road to better improve the facility.

**Mr. G. I. Miller:** Does the traffic count have a bearing on it?

**Hon. Mr. Snow:** This will come up under vote 2402, but certainly the traffic count will have a bearing, and whether the road serves a provincial need. If it's a long distance highway interconnecting cities, it's perhaps a provincial need; if it's a local road providing service within the community, it's simply a regional or municipal road.

**Mr. G. I. Miller:** There is another area involving stop signs. Is this the place I can discuss this, or should that be in another vote?

**Mr. Gilbert:** Vote 2404, under item 2; design.

**Mr. Wildman:** I was interested in the comments regarding subsidies. It seems to me a rather strange approach to free enterprise. It seems to be free enterprise whenever you're making a profit, but subsidies are involved when you start to lose money. It's a rather interesting attitude.

I want to comment a bit about some of the things that have been said about rail transit.

**Hon. Mr. Snow:** That's a rather interesting comment.

**Mr. Wildman:** It seems that you either have free enterprise, or you don't have free enterprise. I'm not opposed to subsidizing.



It seems rather strange that you start to subsidize when a private operation starts to lose money.

**Hon. Mr. Snow:** That isn't what we said at all. We subsidize where there is a commuter-type service, where the fares are being kept very low to encourage people to use transit rather than use their automobiles.

**Mr. Wildman:** Okay. I would question some of your comments regarding the Sudbury-Sault Ste. Marie run. But since that's not central to this, I would just say that perhaps we should be looking at another area and not just at whether or not there is a competitive line in determining whether or not we agree or disagree with the shutting down of an uneconomical line. Perhaps we should be looking at the fuel costs of buses as opposed to rail, and the safety record of rail as opposed to highway transport in determining whether or not we're in favour of continuing uneconomical rail lines, even if they are competing with highways.

Regarding the comments made by Mr. Spence earlier about hopper cars, and your statement that this is, of course, under federal jurisdiction, I agree. But isn't it true that out west on the prairies, when the western provinces wanted the upgrading of rail transport for wheat and the need for more cars, they negotiated with the federal government, or at least suggested to the federal government and were involved in discussions with them for the increase in the number of cars, which were subsequently purchased by the federal government and provided to the railroads to move wheat. What approaches have you made to the federal government to try to get that kind of commitment from it for southwestern Ontario as well as the western provinces?

**Hon. Mr. Snow:** Since I became minister I haven't made any approaches. It's something I really wasn't aware of until Mr. Spence mentioned it.

**Mr. Wildman:** I understand it was raised by the Ontario Federation of Agriculture at the last convention it had. It requested a similar commitment be made to southwestern Ontario as had been made to the prairie provinces for the provision of cars to carry grains which had been produced.

**Hon. Mr. Snow:** I would like to look into it. I'm not sure where the grain is being shipped to from southwestern Ontario. To compare the problem in western Canada, where you're shipping wheat from Saskatche-

wan to the Lakehead or to Vancouver, the two places you—

**Mr. Wildman:** My understanding is that a certain amount of it was being shipped to Montreal.

**Hon. Mr. Snow:** Some southern Ontario corn may be going to Montreal. A lot would be going to Toronto; a lot of it is fed or used right in southwestern Ontario.

**Mr. Wildman:** As Mr. Spence suggested—

**Hon. Mr. Snow:** One of the problems, of course is, the change—there has been an increased amount of corn grown due to the price improvement and increased acreage. There has been quite a change in farming technology. The farmers used to pick corn with the corn pickers, put it in the cribs and dry it naturally. Because of labour-saving devices they are switching over to combines and mechanical drying so the corn hits the elevators in one hell of a rush during the harvest season rather than being fed in gradually over the period of a year. Normally, farmers who didn't need the money would hold the corn until the spring and get a better price than they would in the fall.

**Mr. Wildman:** Would you be willing, with your colleague, the Minister of Agriculture and Food, to contact farm organizations to—

**Hon. Mr. Snow:** I would like to see what the real problem is. All we could do is bring it up at one of our meetings and urge that if there is a real problem—I don't think you can buy a bunch of rail cars to use for one month out of the year.

**Mr. Wildman:** They suggested that some of these cars which have been bought for the west might be used in southwestern Ontario.

**Hon. Mr. Snow:** I presume the big shipment time in the west is the same time as it is in southwestern Ontario, unfortunately, although they ship year round.

**Mr. Wildman:** One question was asked by Mr. Miller about whether or not the upgrading of railbed and cars can be shown to increase the use of the service. As you pointed out, we don't have much experience with that in Canada so it's hard to determine. Do you know of any other ministries, whether federal or provincial, which have done studies of the Amtrak experience to find out what effects the improvements not only in the railbed and cars but also the administration



of the railroads, the co-ordination of runs and so on, has had on passenger use in the States?

**Hon. Mr. Snow:** Amtrak is really just getting going, I think, in the States. Gerry, do you have any figures on that?

**Mr. Reid:** It's been operating for some years.

**Mr. G. H. Johnston:** I don't have any particular figures on the Amtrak experience. I know there are some simulation techniques and models which have been used, say, in the Quebec-Windsor corridor. One of the aspects of the Windsor airport study was looking at the impact an LRC system would have on the demand for air services and how much would be diverted to an improved rail passenger service. There are some figures available from some of the technical studies.

**Mr. Wildman:** But you don't have any on the American?

**Mr. G. H. Johnston:** We don't have any.

**Mr. Wildman:** You don't know what effects, if any, it has had on the New York to Washington run or anything else?

**Mr. G. H. Johnston:** No, I haven't seen any published reports on that.

**Hon. Mr. Snow:** The greatest example of what equipment and service will do is GO Transit. I recall back 20 years ago the commuters complaining in Oakville about the commuter service which was run then by CNR. They had special commuter trains, old equipment and so on, and then 10 years ago, in 1967, when GO Transit started, with more trains running oftener and new equipment, people started flocking to them.

**Mr. Chairman:** Shall item 2 carry?

**Mr. Reid:** I've got a couple of comments, if I may. We've gone over this pretty thoroughly. I've got a study on trains by the federal government and I must say that, having read it fairly carefully, I really can't understand why they haven't placed more emphasis on rail traffic. Their own report indicates that "on most bases of comparison, railway passenger trains are not used efficiently in Canada today." It goes on to say:

The material supports the view that the most suitable roles for passenger trains in Canada are in the provision of high-speed services in areas of high population density over short-to-medium distances where

there are large volumes of travellers and also in high-capacity commuter services in large urban communities.

I'd just like to make two comments, if I may. One is that it seems to me there should be more emphasis in the Ontario Ministry of Transportation and Communications on the need for rail service in the Province of Ontario. While the minister says we don't have the expertise in the air field or even in the rail field, it seems to me that we're going to have to build up that expertise if we're going to deal with the federal government, whatever political stripe it has to be—

**Hon. Mr. Snow:** You're thinking it's going to change, are you?

**Mr. Reid:** Even provincially I'm thinking of a change, quite frankly.

**Hon. Mr. Snow:** Oh.

**Mr. Reid:** —so that vast information is going to be available. Maybe I've been here too long, but I'm sceptical of both what I get from the Ontario government as well as what I get from the federal government; everyone has biases and can write a report and come to the conclusions that it wants to come to. I think there really should be that build-up of expertise in the province. Also, the minister should take a much more specific stand on these matters; I get the impression from your remarks, Mr. Minister, that in fact you're leaving this aspect of it almost entirely, at least the specifics, to the federal government.

**Hon. Mr. Snow:** No, I think you have completely misunderstood the whole thing there, Pat. Through the F-P CORT committee, which was formed a few months ago, we have made great strides in getting our overall transportation planning input into what previously had been totally federal areas.

**Mr. Reid:** Are the minutes of those meetings going to be available to the public or will they be intergovernmental documents stamped all over with—I gather now that they aren't stamped "confidential," otherwise they seem to get out.

**Hon. Mr. Snow:** These are staff meetings that are ongoing all the time. They're meeting groups of different committees. They're meeting continuously.

**Mr. Reid:** Estimates are probably the worst place to try to find out what's going on, but it's a little difficult to find out really what the province's policy is in this regard, other than



your remarks that you are for upgrading the Windsor-Toronto-Kingston corridor for rail service. We haven't even talked about rail service, other than between Windsor and Toronto really, although I guess we'll talk about northern rail on Monday. It seems to me that we've got to be more specific in these matters and it would be nice if we could all know what the government's programme is.

I'll end with this question: Has the federal minister indicated to you—and I gather probably he has not, since you haven't had a chance to talk to him—whether they have any timetable for the upgrading of the Windsor-Toronto corridor or is it simply a matter of when they can screw the money out of the federal cabinet?

**Hon. Mr. Snow:** We have no indication other than the statement that they have allocated \$30 million for the Quebec-Montreal corridor and that there would be future consideration given to Toronto to Windsor. No time has been established, and no amount mentioned. That's what we'll be discussing on June 29.

[12:45]

**Mr. Reid:** I guess you won't have a chance to make a statement on that until the fall?

**Hon. Mr. Snow:** We may make a statement anyway. The House will not be open, but that doesn't mean to say we can't make a report.

**Mr. Chairman:** Any further discussion on item 2?

**Mr. Reid:** I just have one question on—

**Hon. Mr. Snow:** We haven't discussed item 2, with all due respect, Mr. Chairman.

**Mr. Davison:** I discussed it.

**Hon. Mr. Snow:** Oh yes, you did; you had one question. All morning we've had one question on item 2.

**Mr. Chairman:** Is this on item 2, Mr. Reid?

**Mr. Reid:** Under financial and management services there is the line, "Less: Recoveries from other activities in other ministries." Just what does that involve? I thought I'd ask about money first.

**Hon. Mr. Snow:** That's data processing recoveries.

**Mr. Reid:** Is that all the \$7 million?

**Mr. Wood:** Primarily, sir, it is the charges we make to other ministries and to our own branches, outside of the financial branch, to recoup the trust of the data processing service. There are also a few minor amounts which are a transfer of the costs to the various sections where people are transferred from one part of Ontario to another and the government picks up the cost.

**Mr. Reid:** I was under the impression the Ministry of Government Services handled all the computer data services now.

**Hon. Mr. Snow:** Yes, but they charge it to us; and part of this is recovery from other activities within our own programmes, within our own ministry.

**Mr. Reid:** So it is simply a bookkeeping item.

**Hon. Mr. Snow:** It's to allocate the costs of the programme. If there is a computer services item for design, for instance, it would be transferred and shown as part of the cost of design.

**Mr. Reid:** Just to help me, as a simple member of the Legislature and of the public, what's the point of putting that in there? It indicates to somebody reading the figures that you are getting \$7 million of money from some other source other than interministerial bookkeeping.

**Mr. Gilbert:** Mr. Reid, all the various programmes have to be accountable for the cost of running those programmes. If the computer charge wasn't against it, then of course the manager of a programme has no accountability for what it is costing him to run that particular programme.

**Mr. Reid:** Okay.

**Mr. Chairman:** Shall item 2 carry? Carried. Item 3, legal services.

**Mr. Reid:** I have a question, Mr. Chairman. How many lawyers do we have in the ministry, as a matter of interest? If you would just like to give me one of those books, it would solve a lot of problems. I could look at it over the weekend.

**Hon. Mr. Snow:** The lawyers are under the Attorney General and are on loan to us.

**Mr. Reid:** So it's a charge-back thing. There's nobody really hired under the ministry to specialize in transportation legalese, for want of a better word.



**Hon. Mr. Snow:** Of the total vote, \$608,000 is paid to the Attorney General for lawyers supplied to the ministry by the Attorney General.

**Mr. Reid:** But you don't have anybody on your staff who is responsible—

**Hon. Mr. Snow:** We have some who are lawyers, yes.

**Mr. Reid:** But not under this vote. Can you tell me what accounts for the services of \$1,529,000? That seems to be relatively high.

**Hon. Mr. Snow:** Included in that is the \$608,000 for legal services to the Attorney General as I just mentioned—

**Mr. Reid:** Wait a minute. Where are the salaries and wages coming from?

**Hon. Mr. Snow:** That would be other staff in that section.

**Mr. Reid:** So the \$509,000 isn't the payment to the Attorney General.

**Hon. Mr. Snow:** That's \$608,000. Where do you see the \$509,000?

**Mr. Reid:** Under legal services it says \$509,000 for salaries and wages.

**Hon. Mr. Snow:** That's for salaries of people other than the lawyers supplied by the Attorney General. That could be for all kinds of clerks, secretaries and so on.

**Mr. Gilbert:** Insurance and claims formed the largest part of that.

**Hon. Mr. Snow:** I just may run over it to give you what that \$1,529,000 is. It's \$608,000 to the Attorney General, \$60,000 to outside solicitors—

**Mr. Reid:** What's that for?

**Hon. Mr. Snow:** Basically for PCV and Highway Traffic Act work by specialty outside solicitors.

There's also \$452,000 for insurance premiums. All the insurance is carried by the Ministry of Government Services, but we are charged \$452,000 for insurance premiums on our—

**Mr. Reid:** I thought you were pretty well self-insured.

**Hon. Mr. Snow:** We don't carry fire insurance and what not on buildings, but we do carry liability insurance on vehicles and

all those types of things. There is a master liability vehicle policy carried by the government—

**Mr. Reid:** Just as a matter of interest, what company has that?

**Hon. Mr. Snow:** I have no idea. It was tendered last year when I was Minister of Government Services.

**Mr. Reid:** So it was done on a tender basis?

**Hon. Mr. Snow:** All the insurance policies are tendered.

**Mr. Reid:** This gentleman here has the answer, I think.

Interjection.

**Hon. Mr. Snow:** Royal Insurance.

**Mr. Reid:** It is not completely irrelevant to remark that Royal is one of the companies we are having trouble with in northern Ontario. Maybe you can use a little moral suasion on them.

**Hon. Mr. Snow:** It used to be Dominion of Canada General Insurance. They had the automotive policy for many years.

**Mr. Reid:** That doesn't quite come to a hundred and—

**Hon. Mr. Snow:** You haven't let me get down to the bottom of the list yet, with all due respect.

**Mr. Reid:** All right.

**Hon. Mr. Snow:** There is \$452,000 for insurance premiums, \$400,000 for damage claims paid by the ministry—this is for things we don't carry insurance on—\$7,000 for temporary help and \$2,000 for "other," which is miscellaneous. All that comes to \$1,529,000.

**Mr. Reid:** Just as a matter of interest, because we're not going to get on to anything else by the looks of it, if an employee has an accident, what is the procedure if he is found at fault?

**Hon. Mr. Snow:** What do you mean an employee having an accident?

**Mr. Reid:** Supposing somebody driving a truck or using a piece of equipment or something has an accident and is found to be negligent. What happens?

**Mr. Gilbert:** Bruce Alexander, do you want to comment on that?



**Mr. Alexander:** I think I'd have to ask you whether you are talking about the ministry's liability or our own internal safety policy requirements; they are two separate things. If we're talking about safety and driver control for the ministry's own drivers, we have our own internal procedures and policies to deal with drivers who, as a result of committee decision, are found to be at fault. So far as liability is concerned, the ministry usually assumes that liability as part of its responsibilities, since the driver was an agent of the ministry at the time.

**Mr. Reid:** But supposing I'm driving a vehicle and, as a result of my negligence, I damage that or some other vehicle. If it's obviously my fault, what happens?

**Mr. Alexander:** So far as the employee is concerned, I think the most important thing for him is the hearing that will be held in his district and the safety committee's decision about his behaviour at that time. I think our safety branch people in the drivers and vehicles division could more properly respond to that.

**Hon. Mr. Snow:** A guy isn't fired simply because he has one misdemeanour or that type of thing, but if a man is chronic at it I think he would certainly be relieved of his duties in driving and put in some other job—maybe with a pick and shovel—where he couldn't get into so much trouble.

**Mr. Reid:** Okay.

**Mr. Chairman:** Shall item 3 carry? Carried. Item 4? Carried. Item 5?

**Mr. Wildman:** I've got a question on that. I'd like an explanation of just what is meant by general services and what we're paying almost \$5 million for on salaries and supplies and equipment? Both of those items are in the \$5 million range. Could you explain what that is?

**Hon. Mr. Snow:** This activity provides for general support services in a number of functions, mainly comprising records management, library and publication services, art and display designs, printing and duplicating, mail distribution, accommodation, office equipment, buildings, inventory, purchasing and supply functions, and the public and safety information service.

**Mr. Wildman:** So they're sort of support services?

**Hon. Mr. Snow:** Overall, I can give you an idea of the breakdown. There is 414 staff in total—that is 30 fewer than it was the year before—and these are the employee benefits for that staff; mailing costs, communications, telephone costs, travel costs, freight and expenses, removal expense, tender advertising, safety promotions and films, safety information, publications, road maps and that type of thing.

**Mr. Wildman:** How does this item here for supplies and equipment relate to the other items which are in nearly every vote for supplies and equipment? Most of them are a lot smaller. What kind of supplies and equipment are we spending on here as opposed to just about every other vote?

**Hon. Mr. Snow:** Stationery, printing, drafting, reprographic supplies for the entire ministry, except the electronic computing branch, that comes to \$2,380,000.

**Mr. Reid:** That's a lot of paper.

**Hon. Mr. Snow:** The office furniture and equipment, \$701,000; machinery and equipment, \$1,090,000; miscellaneous goods and supplies, \$418,000; small tools, parts and equipment, \$176,000; uniforms, \$140,000; other, \$15,000.

**Mr. Wildman:** The equipment you're talking about, machinery and so on, is that mostly office machinery?

**Hon. Mr. Snow:** Yes, this would not be the construction machinery, which would be another vote, but this would be presumably—

**Mr. Wildman:** Copiers and things like that.

**Hon. Mr. Snow:** —blueprinting machines, copying machines and this type of thing.

**Mr. Chairman:** Shall this item carry?

**Mr. Reid:** No, Mr. Chairman. Transportation and communications, \$977,000; what does that cover?

**Hon. Mr. Snow:** Just a moment. I'll read it off: mailing costs, \$546,000; telephone and telex, \$163,000; travel, \$126,000; freight and expenses, \$105,000.

**Mr. Reid:** Okay. Of course, there's no way we could even have any idea of what any of this means. The one item you mentioned before in services was \$708,000 in office furniture. I take it that would be a non-recurring item?



**Hon. Mr. Snow:** Yes, \$701,000 for office furniture for the entire ministry.

**Mr. Reid:** For the entire ministry. Is that sort of an annual figure?

**Hon. Mr. Snow:** It was down considerably. It was \$1,251,000 the year before.

**Mr. Reid:** Just refresh my mind, how many employees do you have?

**Hon. Mr. Snow:** We had 11,800 and we're down to about 11,000.

**Mr. Biddell:** We have 11,355.

**Hon. Mr. Snow:** That's in five regional offices, 18 district offices, head office, plus Queen's Park.

**Mr. Chairman:** Is item 5 carried? Carried. Is there any discussion on item 6? Maybe we'd better leave that.

**Mr. Davison:** It's fairly short.

**Mr. Chairman:** Okay, if you wish to comment go ahead.

**Mr. Davison:** I'd like to refer to recommendation 119 in the Auditor's report on page 84. It deals with the delayed receipt of rental income from expressway property that the Ministry of Transportation and Communications rents out through the municipalities. You're familiar with that?

**Mr. Gilbert:** Yes.

**Mr. Davison:** The Auditor recommended some changes in your billing practices and the ministry said it would attempt to speed up the recovery of the funds, because there were some very lengthy delays, particularly in Kitchener and Windsor, and I would like to know what you have done about it.

**Mr. Gilbert:** Actually this received quite an airing on the public accounts committee. These are the expressway agreements that we have with such places as Kitchener-Waterloo, Windsor and Guelph, and there have been discussions going on between our people and the expressway people. I think one of the problems was that when this whole expressway agreement was set up it didn't cover such things as how we were going to handle the sale of surplus property, because I think you can appreciate at that particular time the main emphasis was on buying properties and it is only after the expressways were completed—the designs were complete and construction was complete—that we get to the

point where there are surplus properties becoming available. These arrangements certainly have been made now with the various municipalities and arrangements made to look after the things that are outlined in this audit report. There is a financial subcommittee that used to only handle the acquisition of property and the actual building of expressways, which has now set up procedures to look after the actual sale as well.

**Mr. Davison:** So we are not going to have these problems—

**Mr. Gilbert:** I would hope not.

**Mr. Chairman:** Is there any further discussion on this? Shall item 6 carry? Carried.

Vote 2401 agreed to.

**Mr. Chairman:** I understand the minister wants to discuss votes 2404 and 2405 on Monday. Am I right?

**Hon. Mr. Snow:** Yes, the committee decided on Wednesday that we would ask the ONTC people to be here on Monday so they know what day to come down from North Bay. So they will be here Monday afternoon.

**Mr. Wildman:** Mr. Chairman, is it correct that we are sitting in the evening on Monday?

**Hon. Mr. Snow:** Not to my knowledge.

**Mr. Wildman:** I understand that the House is going to be sitting.

**Mr. Chairman:** I suppose if the House is sitting we'll be sitting.

**Mr. Reid:** I wonder, Mr. Chairman, if you would find that out and let us all know, especially the civil servants. There is no sense in ruining their Monday night.

**Hon. Mr. Snow:** Do we know whether the House is sitting or not?

**Mr. Wildman:** I understand we got a memo from our House leader saying we are.

**Mr. Reid:** A memo from the House leader? That's sort of like the Holy Trinity; they may change their minds.

**Mr. Chairman:** Not unless the announcement is made before the House adjourns.

**Hon. Mr. Snow:** Which votes have we concluded then—2404 and 2405?

**Mr. Chairman:** I was told 2404 and 2405. Is that right?



**Hon. Mr. Snow:** No, votes 2405 and 2406, I guess. Vote 2405 is provincial transit. That doesn't involve ONTC, does it?

**Mr. Wildman:** Yes, it does.

**Hon. Mr. Snow:** The provincial transit is mainly GO Transit. The ONTC passenger deficit is in that vote. Then 2406 is the air programme, which is run by the ONTC.

**Mr. Reid:** Will you be able to deal with my letter on schedules?

**Hon. Mr. Snow:** I haven't got your letter on schedules, have I?

**Mr. Reid:** I don't know if it's on your desk.

**Hon. Mr. Snow:** If it is, I have sent it through to get the information.

**Mr. Chairman:** The House is sitting Monday night.

**Hon. Mr. Snow:** Okay, then we will be sitting.

The committee adjourned at 1:05 p.m.

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Godfrey, C. (Durham West NDP)

McNeil, R. K.; Chairman (Elgin PC)

Miller, G. I. (Haldimand-Norfolk L)

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### Ministry of Transportation and Communications officials taking part:

Adcock, H. W., Assistant Deputy Minister, Operations

Alexander, B. B., Executive Director, External Relations

Bidell, W., Assistant Deputy Minister, Administration

Gilbert, H. F., Deputy Minister

Johnston, G. H., Executive Director, Planning Division

Wood, F. E., Director, Financial Branch











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# Legislature of Ontario Debates

SUPPLY COMMITTEE—2

ESTIMATES, OFFICE OF THE  
OMBUDSMAN

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

Friday, June 4, 1976

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

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FRIDAY, JUNE 4, 1976

The committee met at 11:15 a.m., in committee room No. 2.

#### ESTIMATES, OFFICE OF THE OMBUDSMAN

**Mr. Chairman:** I would ask that the committee come into session. As you know, this morning we have with us—we are delighted to have with us—the Ombudsman of Ontario with his numerous staff. In a moment, I am going to ask the Ombudsman to introduce the members of his staff to the committee and we will begin the review of the estimates. They are not very elaborate as they come through the book. There is just one page with about three or four items and I think we will handle this very informally, ranging over what matters seem important to each individual member on the interrogation.

All right; I will turn it over to our good Ombudsman, Mr. Maloney.

**Mr. Moffatt:** Mr. Chairman, I don't recall, having found my book, having received those—

**Mr. Chairman:** It is in volume 1 of the miscellaneous estimates. It is not among the Justice estimates.

**Mr. Stong:** Mr. Chairman, may I ask what figures are those which were presented to us? Are they the Ombudsman's or someone else's?

**Mr. Chairman:** No, they are not the Ombudsman's, I understand. The Board of Internal Economy have recommended them to the government. They have been accepted by the full cabinet, I take it, and submitted in the estimates.

**Mrs. Campbell:** I think that would be a matter of preliminary discussion, Mr. Chairman.

**Mr. Stong:** I think we should hear from the Ombudsman with respect to his figures and needs.

**Mr. Chairman:** I am sorry, Mrs. Campbell, I couldn't hear you.

**Mrs. Campbell:** I said I think that should be a matter of preliminary discussion—before we get into any estimates before us—the matter of whose estimates we are looking at.

**Mr. Chairman:** I would say they are like any other estimates. They are the estimates which have been arrived at internally by the government and presented to us.

**Mrs. Campbell:** That surely is different in the case of the very nature of the Ombudsman's office?

**Mr. Stong:** Mr. Chairman, may I address this point? It seems to me that with all the other estimates we have dealt with, we have had the minister and the ministry has determined an amount. We discuss the need for that amount but I am not convinced that these figures represent the real picture or even whether they should be discussed.

**Mr. Chairman:** The Chair thinks this is where we should launch. This is where we should begin. I really didn't want to get into this particular problem at this point, to be quite frank with you, but I will since it has been asked.

My understanding is that our mandate is that we can make recommendations to decrease the estimates but that we are in no position to make recommendations to the government to increase them. My intention, after this committee rises this morning, is to go to see Mr. Welch and discuss it because, quite frankly, this was not initially my understanding. I thought we had disposal power over these estimates, something unique in the history of the Legislature, but I am informed this morning that this is not so.

**Mr. Stong:** To me, that frustrates the whole purpose of this exercise because if we are going to discuss figures that are not real, how can we sanction something which is going to put a handicap or limit on a very useful function?

**Mr. Chairman:** I think the Chairman has a responsibility to clarify the situation. This is what I am informed. This is what I have to



accept for the moment—and I don't find it very acceptable personally—but I would ask the committee to let us go forward with the estimates on a tentative figure as we have it before us and get a clarification of this issue over the weekend.

**Mr. Moffatt:** With respect, I am not sure that is the best course to pursue. Obviously, the question of the Office of the Ombudsman, as a philosophical statement, is one which the Legislature addressed itself to in setting up this particular organization.

I haven't even seen the estimates but that may well be my fault because I wasn't aware where they were to be included because this whole thing happened on a kind of ad hoc basis. I think we have had a significant amount of ad hocery in dealing with these particular estimates, may I say, not in keeping with the nature of the office at all.

We have assumed that this will be a fairly important office in this province and to deal with it in such a cavalier fashion as we have in the past couple of months I don't think really sets the kind of tone I want to see set for that particular office. I do think that if there is some question about the power of this particular committee to deal with these estimates, before we get into the questions of justification, the explanation and so on, as we will, I would like to know where the goal line is before the ball is kicked off.

I am afraid that not knowing whether these estimates may be increased, reduced, adjusted or whatever by this committee, the procedure is still somewhat clouded. It is in the hands of somebody who may make a decision over the weekend. I think that is an inappropriate way to deal with this particular programme.

I just have an aversion to treating this office this way. I know there are people who, on the basis of specific arguments, have made niggling complaints about the Ombudsman's office. There are others, who are completely enthralled with the way it is running. All of these views are being brought into play, and yet we are starting the whole proceedings not knowing where we are going to wind up. I would really urge that we have some specific statement before we get into that.

In other estimates, as I understand it, if we reduce the estimates, the government has hinted, or at least relayed the information, that that would be a non-confidence matter. Is this somehow secondary? Is this a less important part of the government or of the functioning of justice in this province? I don't want us to start off by treating this as

something that is brought in like an extra sandwich at lunch. I really have an aversion to dealing with it in that fashion.

**Mr. Stong:** Mr. Chairman, I concur 100 per cent in Mr. Moffatt's remarks. I am also concerned with another aspect, and that is if we begin to discuss these estimates that are before us in a limited way we may prejudice our position for later reopening of the matter and discussing them again when we are made to realize they don't represent any real picture of what this office is all about. I think we should get a ruling on this before we even begin to discuss the figures.

**Mr. Breaugh:** To show that we can have a difference of opinion, slightly, I think these estimates are properly before this committee, and were sent here under the direction of the House. There does appear to be some question, I suppose, as to whether the rules might be altered in this instance so that an increase in a budget could be moved by the committee and thereby recommended to the House; but it strikes me that we have operated in this committee for some time now under a certain set of conditions. Essentially, we could move to decrease amounts in a ministry budget, and that rule still applies.

I am quite prepared to hear the Ombudsman; in fact I am quite anxious to hear him. I would like to hear his opening statement today. I am quite prepared to offer the Chairman the opportunity of dealing with the government in terms of whether there might be a different situation, if you like, or a difference in the rules for this particular estimate compared to those operative in previous estimates.

Frankly, I am anxious to give the Ombudsman the opportunity to make his case in front of this committee. I am also anxious to ask some questions of him in terms of his approach and what not; and certainly in terms of how the money is spent, as we would with anybody else's estimates.

In that regard, then, I am quite prepared to support the Chairman in his endeavour to begin the estimates this morning, and to offer the Ombudsman an opportunity to make some opening remarks. I would hope that most of us would have some remarks to make as well this morning. If there is a point in procedures that ought to be clarified, then I am quite prepared to clarify that.

In short, what I am saying is that he is properly before the committee; that the rules have not been changed as yet, or not to my knowledge. I am somewhat dismayed that I don't have very much information on these



estimates as yet, and I am anticipating that the Ombudsman himself will, in the course of these estimates, present us with such information.

In short, I would like to hear his opening statement. I would like to give the Chairman an opportunity to check the procedures to see if there is any alteration in this particular set of estimates, as opposed to anybody else's. If that is not the case, then I am assuming we are operating under the same rules and procedures as we have for everybody else's estimates.

**Mrs. Campbell:** Mr. Chairman, I don't view this as a matter of procedure or as a matter of the estimates per se. My approach is to the matter of the philosophy which created the Ombudsman's office, which by its very nature was to be a matter for the Legislature to determine and not for any one party, be it government or otherwise. Certainly I subscribe to the general rule for estimates that a committee ought not to be able to increase estimates. I don't even know that I am prepared to increase estimates. What does disturb me is that the government may take this particular function, which is supposed to be above government but not above the Legislature, and try to circumscribe it before it even gets to a legislative committee.

So it is a philosophical problem that I face, and not a problem of procedure so far as estimates are concerned. It disturbs me to start out under the limitation of a different philosophy. That is my concern. I appreciate that members opposite have been sitting through the justice estimates and I have not, except on occasion. But I am a member of this committee as of today, and I feel that I can quite properly make that position clear.

I am concerned that if we do start into the normal procedure of the estimates in these terms, then we ourselves may be in a very difficult position at a later stage to try to vary anything in the philosophical approach. That is my problem. If you want to proceed in the way that you suggest, and the chairman suggests, I would like to be assured that we are not precluded from looking at the philosophical aspects of this argument, Mr. Chairman. I don't know whether you could give us that assurance, with respect.

**Mr. Chairman:** Mr. Kennedy is next, but I want to say just a word on that. A representative of the government is at this moment approaching Mr. Welch to ask the

government to send a representative to explain the philosophical issue and to take their position. All we can do as I see it is proceed on the basis of what we have. Mr. Kennedy.

**Mrs. Campbell:** Maybe he'll stop us.

**Mr. Kennedy:** It was along those lines, I wish to speak, because my understanding obviously isn't clear, if yours is, that we could not make recommendations without inhibitions in any direction—I speak of recommendations. This was my understanding. I thought that our terms of reference included the capacity to make recommendations to change estimates in effect, whether up or down or elimination or what not, which is a little different from the usual method of dealing with estimates.

To deal with the situation in which we find ourselves now, it is my view that we could hear any statements from the Ombudsman and in general discuss these, because the hangup I do believe is in the actual figures, the dollar amounts; perhaps we wouldn't be that far along this morning. Certainly before we got into the detail I would feel we should have clarification on terms, but as I understand them now I don't think we should be inhibited from commencing.

**Mr. Nixon:** Did you indicate, Mr. Chairman, that a minister of the Crown was here to make a statement?

**Mr. Chairman:** No, that young man was here a moment ago. His—

**Mr. Nixon:** I was quite interested, when this was first raised by the committee members, that you as Chairman indicated, much as I had thought, that this committee was almost especially constituted to deal with this specific matter of expenditure. It was a surprise to you, as it is a surprise to me as well, that you were informed by someone, as yet unknown, that the usual procedures would be used and that the government would make a presentation of what they felt was an adequate amount, and that the regular rules that would forbid a private member from increasing government expenditure would hold sway.

[11:30]

I think you are aware, Mr. Chairman, that in the extensive debate leading up to the appointment of the Ombudsman and the establishment of the office, one of the suggestions that was not accepted by the gov-



ernment was that a special committee of the Legislature should deal with the Ombudsman's office to provide public moneys for its finance. This would have meant that the Ombudsman would not have to approach the officials of the government or anyone other than the Legislature as a whole or, to make it more convenient, this special committee which would deal with the Ombudsman's office and make recommendations for the financing of that office.

Since the government did not see fit to establish in the statutes such a committee, I feel this committee, which has been given the responsibility to deal with what is presently called the estimates, and they are government estimates, should be seen to be fulfilling that function. I certainly feel very strongly, and I think perhaps you would agree with me and the others who have spoken already, that this particular office and the expenditure for providing this service in the province is one that is directly responsible to the Legislature and not in the ordinary sense to Her Honour's advisers who command the support of the Legislature.

I think it would be ridiculous indeed if this became a matter of confidence or non-confidence or anything like that. All of the statements that have been made in support of the office during the debate that finally culminated in its establishment stressed more than anything else that this office must be controlled only by and through the Legislature and not by and through a government office.

I would see no objection, since there may be a slight difference of opinion here as well, for us to hear the Ombudsman. I don't think it would be a great service to him, but just an inconvenience to send him back down to his other duties with his staff. I do not believe we would be committing ourselves to a course of action if we were to ask him to proceed. But I do rather resent the feeling that you, Mr. Chairman, are going to confer with some unknown person to see if it is all right. I really believe the feelings of the Legislature—

**Mr. Chairman:** That's not what I said. I said I was going to confer with Mr. Welch.

**Mr. Nixon:** —are that we are going to have the responsibility for that and if we feel that we have the responsibility, then we should make a recommendation to the Legislature to give us that responsibility. I don't believe that would be a matter of confidence. It would be a matter where the Legislature asserts the

powers that undoubtedly it must have with regard to this office.

**Mr. Chairman:** Let me state the position of the Chair. Coming in here I was informed by the secretary to this committee this morning that this was our mandate. Namely, that we were limited to making recommendations, decreasing but not increasing. That was not my understanding. I was unhappy—

**Mr. Nixon:** How could the secretary inform you of anything of that nature? We have a very competent secretary, but—

**Mr. Chairman:** I was as unhappy as anyone else in the light of these things. I said the best thing to do possibly is simply to go and see Mr. Welch, or all the House leaders for that matter, in order to make the case. If we wish to do it through a motion from this committee to the Legislature as a body, that's fine; I think it can be done somewhat more informally.

**Mr. Nixon:** Right.

**Mr. Chairman:** If it comes out that the government is adamant about this issue, then it is in the hands of the committee, of course.

**Mr. Nixon:** So be it, as the phrase is.

**Mr. Chairman:** No doubt we can bring it before the full Legislature to determine and that's fine, too. Personally, I think that should be done. But I'm asking for a little indulgence in this regard to clarify it. I think there just possibly could be a misunderstanding.

In the meantime, I don't see how it prejudices our position at all with respect to alteration. In one way, if the government is adamant, then we're caught and have to proceed with the estimates as they are.

**Mr. Nixon:** Or put it to the Legislature. Which is what we'll do.

**Mr. Chairman:** Or put it through the Legislature. The other way around, if they're not so opposed they'll say so and I insist upon having it in writing. With that, then we would proceed in a free way.

If we are dealing with general issues, with policy generally, with the Ombudsman's statement and without getting into the nitty-gritty and the detailed analysis, I suggest this morning we just go on with the various beefs and various questions you have.

**Mr. Nixon:** But we are not proceeding with the estimates, we're hearing the Ombudsman.



**Mr. Stong:** Mr. Chairman, if the Ombudsman is going to take up an hour and a half explaining the policy of his office that would be fine, but I don't think we should get into the exact estimates until we are prepared with the ruling.

**Mr. Nixon:** I think that is reasonable; we're not proceeding with the estimates.

**Mrs. Campbell:** Mr. Chairman, on a point of clarification. In the light of the circumstances, will the Ombudsman be precluded from giving us information as to what he sees as the needs of his office? I would think not. I would think you would permit him to state his position.

**Mr. Chairman:** That's my position—that the Ombudsman may say whatever he pleases in stating his position. I think the suggestion that we ought not to get into the estimates proper is probably a good suggestion. Is anyone opposed to that suggestion? All right, we will proceed then.

**Mr. Breagh:** Mr. Chairman, I think we have opened the door and you are into the estimates. I don't see how you make that distinction. As soon as the Chair calls the meeting to order, the purpose of the meeting is to hear the estimates of the Ombudsman's office and I think you have already done that. The estimates have begun. When the Chair called the meeting to order, the estimates are now there. You can break at any time you care to.

What I would be quite prepared to do is offer the Ombudsman the courtesy of making his opening statement. I am assuming this committee has the same power as any other committee of the House and I, for one, would like to call someone representing the government in a formal way—most sensibly, I guess, the House leader—to appear before the committee this morning, if possible, or as soon as possible thereafter and have this clarification of procedures or whatever set out.

I agree totally with Mrs. Campbell. It was my interpretation that this committee had the power to hear these estimates and to make a recommendation directly to the House and that we are not in any way inhibited by the government as we might have been with any other one. There, as far as I am aware, the only official inhibition, if you like, is that the government might have stated previously that if you increase an estimate, or decrease it or alter it substantially, it is a matter of non-confidence in the government. I am not so sure that any of us—

**Mr. Nixon:** Rules don't permit an increase in government estimates.

**Mr. Breagh:** That is the argument in this instance.

**Mr. Nixon:** It is not an argument.

**Mr. Breagh:** I am not prepared to accept it as an argument until such time as someone provides me with an order from the Legislature which says we can't. Until such time as I hear that from someone—frankly, I am not even prepared to listen to Mr. Welch say that is the way it is. I am going to offer him the courtesy of coming to the committee and explaining the government's position but if he says something I don't agree with, I certainly would think the committee has the power to go back to the Legislature and say, "Is that proper? Is that the way that we ought to go?"

For the purposes of this morning's meeting, I think the estimates are open. I would like to offer the Ombudsman an opportunity to make an opening statement and frankly I would like to have the House leader for the government party come to the committee and clarify this situation.

**Mr. Chairman:** I am informed that Mr. Welch will be here in 20 minutes.

**Mr. Norton:** Mr. Chairman, before Mr. Breagh states his third position—

**Mr. Breagh:** If you have time.

**Mr. Norton:** May I say I personally see nothing to preclude the committee from proceeding to hear the Ombudsman's opening statement this morning. I am surprised by the information that you have given to us.

I think we unanimously anticipated or understood that this committee had the authority to deal with these estimates, perhaps outside the regular rules. I have no hesitation in saying to the committee that I would prefer to make no recommendation on the basis of the specific estimates that are presented to us. I think that at this point we ought to proceed and hear the Ombudsman this morning and then over the weekend allow you and, if necessary, Mr. Welch and the other House leaders to sort out the procedure we will follow.

**Mr. Chairman:** Is that satisfactory to the committee—that we proceed and listen to the Ombudsman? Mr. Maloney, please.

**Mr. Moffatt:** We are not yet considering his estimates; we are simply listening to the Ombudsman?



**Mr. Chairman:** We are into estimates, let's face it, but without committing ourselves.

**Mr. Moffatt:** That's what I thought you meant.

**Mr. Maloney:** Mr. Chairman and members of the justice committee, I think in the light of the discussion that has just taken place I should perhaps give you some background, with reference to the manner in which the item assigned to the Ombudsman in the official estimates was set at \$2.3 million. I understand it wasn't a typographical error; I was wanting \$3.2 million.

I must say that when I first looked at the Ombudsman Act, empowering the Ombudsman, as it does, to select staff, fix the conditions of their employment and to otherwise get the office off the ground, subject to the approval of the Lieutenant Governor in Council so far as staff is concerned, it then provided in section 10 that I would finance the operation up until March 31, 1976, out of the consolidated revenue fund, which I did.

Then the Act says, "and thereafter out of moneys appropriated therefor by the Legislature." I find nothing else anywhere in the Act to describe the intent of the Legislature by using that language. It was my belief that very likely the proper forum for the Ombudsman to appear is the Legislature itself sitting as the committee of the whole House; but it was suggested to me by Mr. Speaker, as Chairman of the Board of Internal Economy, that since the Ombudsman is an officer of the Legislature, his budget could be examined by the Board of Internal Economy, made up as it was of three ministers of the Crown but also representatives of each caucus.

I appeared before the Board of Internal Economy on March 1 and I submitted a budget to them in which I asked that the Ombudsman be given \$3.2 million. The Board of Internal Economy reported back to me in a letter that the amount the board would recommend would be \$2.1 million.

In the letter from me that followed in response to that, I made it clear that this would be totally unacceptable and that I wanted to meet again with the Board of Internal Economy, and we did. I think we met on March 11. At that time, I took the position, in the light of the research that was done by my legal advisors in the office, Mr. Brian Goodman and Miss Kathy Cooper, that we were all wrong, in the first place, to be before the Board of Internal Economy. It just was without jurisdiction to deal with the matter. Having given that some thought, the board itself acknowledged that to be the case

and came to the conclusion that it was without jurisdiction.

Then, without any input from me or any consultation with me, I received a letter from Mr. Speaker, on behalf of the board, dated March 11, in which he brings to my attention that the Board of Internal Economy had accepted the argument that it was devoid of jurisdiction, and then unanimously passed a motion whereby it agreed that the question of jurisdiction be turned over to the law officers of the Crown.

It was agreed that the board should seek clarification from the Lieutenant Governor in Council as to how the estimates of the Office of the Ombudsman should be received prior to their submission to the Legislature and subsequently; it was agreed that the board recommend to the Lieutenant Governor in Council that the authority given by section 8 of the Act—the section that empowers me to employ staff and so on—be examined by the Lieutenant Governor in Council and clarified with regard to the control mechanism to be employed by the Legislature in terms of establishing salaries and terms and conditions of employment, prior to the granting of approval of the Lieutenant Governor in Council. It was agreed that the board recommend to the Lieutenant Governor in Council that an agency outside the government examine such matters as salary classifications and levels of the Office of the Ombudsman, and that these salaries or contractual agreements be equated with the employees of the Ontario government in the Office of the Assembly; finally, it was agreed that the board recommend to the Lieutenant Governor in Council that in consideration of the fact there appears to be no legally constituted body to exercise jurisdiction over the review of the estimates of the Ombudsman, and therefore no provision for 1976 to 1977 estimates to go forward, the board recommends that an amount of \$2.3 million be placed in the 1976 to 1977 printed estimates of the government of Ontario for the Office of the Ombudsman so that the office will continue, as is the intent of the Ombudsman Act, 1975.

[11:45]

Then the next step was, this recommendation was submitted to the Management Board of Cabinet, and the Management Board of Cabinet—made up, as we know, exclusively of ministers of the Crown—assigned this item of \$2.3 million, on the recommendation of the Board of Internal Economy. Although it had conceded it had no jurisdiction, it assigned that item to me in the printed estimates.



I must say that in the course of the discussion that took place in the Board of Internal Economy, plus subsequent discussions I had with various officials of the Speaker's staff, it was felt that if no item were assigned to the Office of the Ombudsman we would be crippled; that some item had to be assigned because, if the worst came to the worst, there would be power to apply for supplementary estimates and that, therefore, the assignment of a figure under the Ombudsman's department would give jurisdiction if it was necessary to apply for supplementary estimates.

Be that as it may, Management Board, again without any consultation with me, assigned an item of \$2.3 million in the printed estimates to the Ombudsman. My view is that Management Board should have assigned to the Ombudsman's office the amount I requested—\$3.2 million—and let an appropriate committee or the Legislature itself decide whether it wanted to accept that or not. That is not the way it was done. Then it was brought before your committee, and I must say that I was quite happy to acquiesce in the decision that this committee deal with the matter.

I must say I laboured under the impression that you did not have power to pass a minute or a resolution as a result of which, magically, the figure of \$2.3 million would be increased to \$3.2 million. I did have the very definite feeling that if, having heard my presentation, you were of the view that the amount I wanted was legitimate and valid and acceptable to you, and that if you were to say that you would so recommend, had you power to amend the item, I certainly had the impression that the government, in view of the fact you were an all-party committee, would not hesitate to act on any such position you might take. So I, too, was a little surprised this morning to hear that it may be that you do not even feel you have power to do that. That is the background to the item in the budget.

Now, my opening statement. I apologize for repeating some things I may have said to some of you on occasions at which you were present when I spoke on this subject, but I think the record should contain my reiteration of the position I have taken.

Last summer, those of you who were in the Legislature at the time entrusted me with the task of inaugurating a totally unique idea for our province. I have the obligation, given to me under the Act, section 8, to staff, to equip and to create a structure that would stand the test of time in his province. The Ombudsman has never been abolished, so far

as I have been aware, once the operation began in any other jurisdiction, and I took the liberty of assuming that that was going to be the case in Ontario as well. Accordingly, I set about the task of building an understructure.

**Mr. Renwick:** Mr. Chairman, if I may say so, that is true of every government institution. Once it has been established it has never been abolished.

**Mr. Maloney:** Well, Mr. Renwick, I am only interested in my own. In any event, we started an understructure that is strong, solid, stable; one you can be really proud of. When the time comes for a successor to take over from me, whoever he or she may be, I am sure they will feel that when we got this operation off the ground we did so in a way that enables successors in the future to build on to it, and to help make it stronger and a more potent force as the years go by.

In the dilemma that was presented to me, as to whether I should become the Ombudsman or carry on in the practice of law, I did a lot of soul-searching. I came to the conclusion that this was a new and exciting concept and there were particular features of the Act as it was shown to me that I found of very special appeal in making up my mind as to the course I ought to follow.

First of all, the unanimous political support which not only the office itself had received, but the announcement of the Premier (Mr. Davis) that the government was going to put my name in nomination to members of the Legislature. I remember very clearly on May 22, sitting in the gallery of the Legislature, when the Premier made the announcement of the government's intention, and I was deeply moved, impressed, touched, by the spontaneous reaction it produced from Mr. Bob Nixon who was the Leader of the Opposition at the time. When he spoke in strong terms of support of my nomination, I was very fortified in the decision I had made.

He was followed by the leader of the New Democratic Party, Mr. Stephen Lewis, who spoke in equal terms of support. I followed the debate with much interest and was terribly impressed by the fact that there was going to be no political dissension over the nomination of Arthur Maloney, regardless of his past career and various activities. If, indeed, there had been any rumblings of discontent, if I felt that my appointment and my nomination were going to provoke any kind of political dissension in this province,



I would not have pursued the career I have chosen.

That was one very important feature of it. It appealed to me. The second feature of it was the independence of the office. It was plain to me it was independent of the government. I was impressed by the fact that the Premier put my name in nomination, and the government did not appoint me; it was the Legislature which appointed me. I was impressed then by the fact that I was to be independent of the cabinet, and I must say, in fairness to every member of the cabinet, there has never been the slightest, remotest suggestion of anyone attempting, even indirectly, to influence me or my decision in any respect.

I was also impressed by the fact that I was totally independent of the civil service. This, after all, was the great organism I was set up to survey and that, therefore, brought into great importance the provisions of section 8 of the Act, which empowered me to employ such officers and other employees as the Ombudsman considers necessary for the efficient operation of his office and may determine their salary and remuneration and terms and conditions of employment, and this is subject only to the Lieutenant Governor in Council.

I noticed also that the Act provided that the only aspect of the civil service organization that even remotely applies to the Ombudsman are those provisions that inure to the benefit of the employees. In other words, my staff are entitled to the benefits that inure to people under the Public Service Act, and the Public Superannuation Act.

Section 20 also impressed me as a section of very considerable importance, because that is the section that gave me a right, as Ombudsman, gave me power as Ombudsman, to hold hearings, to require any member of the civil service, or any member of any governmental organization, to furnish me with any information or to produce any documents or things which related to any matter I was investigating. I could summon witnesses before me and examine them and hold hearings.

You would be interested to know that since I was sworn in last October, I have never been put in a position where it was necessary for me to hold a hearing or to subpoena witnesses. There has never been an occasion when anyone has taken the position that he would not co-operate. There have been one or two cases where it was held I had no jurisdiction, where a position was

taken that I had no jurisdiction, and I acquiesced in that conclusion when I saw the Act.

Section 15, subsection 2, impressed me too, because it authorizes me to investigate complaints that are made to me by any person affected, or by any member of the assembly itself to whom a complaint is made by any person affected.

You will recall the debate, those of you who were in the House at the time, when that addition was made to that section of the Act on an amendment, I think moved by Mr. Renwick or Mr. Lawlor, I have just forgotten which.

**Mrs. Campbell:** They will both take credit for it.

**Mr. Maloney:** As a result of that, a member of the Legislature has power to make a complaint to me on behalf of someone who complains to him, as a result of which the whole machinery of the Act is brought into motion, and I am entitled to exercise my powers under section 20 at the behest of a member who complains.

Section 23 was also an important section to me, because it required me to inform the complainant, in such manner and at such time as I think proper, of the result of an investigation. The reason that was important was because, while obligations of confidentiality were imposed upon me, there was no obligation of confidentiality on the person to whom the reporting opinion was sent, and this meant that the decisions of the Ombudsman, the recommendations of the Ombudsman, were in that vicarious way going to become subjected to public scrutiny, which I thought was very important, and I must say I have adopted a policy where I come to a conclusion, make a recommendation and send a report to a complaining person, and the reasons I give for that decision are set out in rather considerable detail.

I will be honest with you, I was upset the other day in a case that I investigated. It was a youth named Losch, who alleged he had been the victim of a homosexual rape in one of the provincial prisons. He thereby caused an accusation to be made against two fellow inmates, serious allegations of inefficiency and negligence on the part of the guards who were involved, and just a serious reflection on the whole institution, and we looked into this.

We conducted a very complete, a very thorough investigation, and I am not at liberty, because of the obligations of confidentiality, to tell you myself what we found out as a result of the investigation, but there is no harm in my saying what the result of the



investigation was; that is to say, the recommendation that I made. I came to the conclusion that the incident complained of had not occurred, and thereby exonerated the two inmates, exonerated the guards who were under a cloud, and the institution.

I was watching the TV that night and our friend Tom Clarke came on and interviewed the Minister of Correctional Services (Mr. J. R. Smith). He declined to make public the report, which he had a right to do, and the reason he declined to make it public was because I was too explicit and he didn't want to be responsible for releasing X-rated material to the public.

I must say, I was prompted in the light of that to add to my list of items that I am going to suggest ought to result in amendments to the Act, that one of those amendments should be that you give to the Ombudsman a discretion in an appropriate case to release a report if he feels it ought to be released and if no one else is going to do so, because it would alarm me if that case were to establish a precedent that other ministries might feel it appropriate to follow.

I must say that one of the great sources of help to me was the debate itself in the Legislature. First of all, I was impressed by the powers given to me under the statute to appoint staff; that was important to me. Then, in the debate itself, the various members started to discuss the Act and its provisions, specifically in relation to the kind of authority they were expecting to vest in me insofar as staff was concerned. After all, I had no guide. I had the benefit maybe of a study of some of the other provinces, but our concept was unique here in Ontario, it was new here. I had really nothing to guide me, except what I was told by the members who brought me into being. I was impressed, for example, by Mr. Singer's position in relation to staff, when he said:

[12:00]

I don't think there's any point in trying to say to Mr. Maloney in this legislation that he hire a very large complement. What is a very large complement? Is it 1,000 people? Is it 50 people? Is it 10 people? Should they all be lawyers? Should seven of them be social workers . . . ?

He went on to say:

I think Mr. Maloney has to be able to determine that. He's the servant, not of the government but of the Legislature. He should be able to say: "I need this much help and I want so many of this and so many of that, and those are the ones I want." He should be given the dollars he asks for; and we should be prepared to give it to him.

Then Mr. Clement, who at the time was the Attorney General, in response to some

arguments that were being put forward on a later date—Mr. Singer's comments were made on June 12—said on June 19:

When he [the Ombudsman] comes in here for his resources through the request of the Office of the Speaker, I am confident this assembly will be very supportive, because who is going to oppose it? He has to demonstrate his case and say: "I need these resources, ladies and gentlemen of this Legislature, and you are going to have to support it. If you don't then the office won't function." I think it is going to have to be based on his experience as he sees it unfold.

That's the Attorney General speaking, who I'm looking to for guidance.

Mrs. Campbell: There was another one.

Mr. Maloney: I'm coming to that. Mr. Lawlor, you made one of the great contributions to the debate, if I may be permitted to say so. You used a lot of elegant language too—"amplitude" and "plenitude" and all that sort of thing.

Mr. Chairman: Pulchritude?

Mr. Maloney: Pulchritude? Well, Ellen hadn't come with me at the time of the debate.

Mr. Chairman: Oh, I see.

Mr. Maloney: Mr. Lawlor felt that a large office was inevitable.

It is going to cost a substantial sum of money to run this office, beginning with the Ombudsman himself and with the various types of experts he will require. Look at the Ombudsman's office in British Columbia . . .

That was a misprint. You were referring, I think, to New Zealand.

. . . and the Ombudsman's office in Sweden.

Mr. Chairman: What's the difference?

An hon. member: It's not as far west.

An hon. member: His speeches often have to be interpreted.

Mr. Moffatt: You read them for their literary value.

Mr. Maloney: Then Mr. Laughren said:

In the beginning, Mr. Speaker, I would hope the Ombudsman is prepared to establish a very large complement early on, because I suspect the creation of the Ombudsman's office might be something like being elected for the first time as a member. In the early stages every person who is dissatisfied with the previous judgement comes to the newly elected member. It certainly was my experience. I can imagine what is going to happen in the early months when the Ombudsman takes office.

He went on to talk about the influx of requests and demands—and he was so right. The difficulty is, it has continued; it hasn't diminished.



Mr. Samis said on June 12:

I am glad to see that the Ombudsman will have a substantial staff to work with.

Mr. Burr said:

I realize that this office will entail a staff of considerable size and this reduces my enthusiasm somewhat.

Then he went on to refer to Premier Robarts' position.

Mr. Ruston said on June 12:

But I'm concerned as to what this might lead to. What concerns me is that if we build up a staff of 25 or 50 we are going to defeat the purpose of what we really want . . .

I am concerned about whether we're going to build up a large staff. I assume they are going to be in Toronto. Is it the intention to have field officers in the province, or is his staff going to be right in Toronto?

What's important to me is what followed, because this is what Mr. Clement, the Attorney General, said in response to that:

I don't know. These are judgement calls that the Ombudsman is going to have to make as he gets his toe in the water and sees just what the demands are.

I took those extracts as evidence of a state of mind that insofar as I was concerned, as I went about my duties, it was expected that I'd recruit for you and for the province some very talented and some high-calibre people. Indeed, I can assure, I have done that. I know some of you have had the privilege of meeting a great many of the staff, and one of the impressions that people invariably come away with who meet the people who surround me — the wonderful people who work with me—is how fortunate the Ombudsman's office is in this province to have people of that calibre, with that very great concentration of expertise.

In addition to that, insofar as staff is concerned, I got guidance from a lot of other things that were said in the debates over the summer, and I want you to know the extent to which a lot of these ideas have been implemented.

For example, Mr. Samis made a very important contribution to the debate and said, in effect, that I should recognize the francophone presence in this province. I was reminded, in other words, that this is province and a country bilingual and bicultural in its origin. I was able to persuade Gilles Morin to come to Toronto, to uproot himself from Ottawa, to take over the direction of the directorate of rural, agricultural and municipal services. In addition, about six or seven members of the staff, Mr. Samis will be happy to know, are totally bilingual in English and French. We have bilingual cheques. We have French stationery. In other words, we are generally trying to conform to the

francophone policy that this Legislature reaffirmed about four or five years ago.

Mr. Singer and Mr. B. Newman had more to say about ethnic problems insofar as the Office of the Ombudsman is concerned. They reminded me that there are all kinds of people in this province—I suppose hundreds of thousands of them—to whom French or English does not come as an easy language, and that I should make sure that we have a facility in that office that would enable them to articulate their complaints just as easily as if they were English or French. We've done that. As of today, we have a staff that has a total of about 20 different languages in which someone is completely fluent. That has been a very important asset to the office and it has been a very great help to a great many people who have come to us with language handicaps that ceased to be a handicap when they were put in touch with the appropriate official of the office.

Mr. Laughren suggested in the debates that, for the greater efficiency of the office, I might consider setting up special departments that would be able to deal more efficiently with specific problem areas. He cited, for example, workmen's compensation. We've done that. First of all, we set up the directorate of institutional and special services. Under the umbrella of that directorate comes responsibility for not only workmen's compensation but for juveniles, mentally retarded people, senior citizens, people in psychiatric facilities and people detained in prisons. All that is under the direction of Ellen Adams, who is here today. She has surrounded herself there with a staff of men and women who have a combination of expertise in corrections, in psychiatric work and in workmen's compensation, which I find literally astounding. When we meet with them at case conferences, as we do from time to time, and to hear their analysis of complicated problems relating to workmen's compensation, to psychiatric problems and prison cases, I'm just amazed at our good fortune that we have these people with us.

I am quite convinced that Ellen Adams and her group, single-handed and alone, have had a salutary effect on the atmosphere in the prison population of this province. I'm convinced that two or three riots have been avoided because of the fact that there is present, now, an independent mechanism to which people who are unfortunately detained against their will in prisons and psychiatric hospitals know that they can appeal in absolute and complete confidence. I think it's very important part of our operation.



The next directorate we thought appropriate to set up was the directorate of rural, agricultural and municipal services. I was brought up in farm country and I have known all the years of my life, how the farmer of this province feels so often that he is neglected. It's such an important industry, and they're such wonderful people. I think they are delighted now, as word gets around, that there is an independent mechanism, I say, to which the farmer can appeal.

There are 52 statutes in the Ministry of Agriculture and Food, and all kinds of regulations and boards and commissions. Heaven knows how many problems a constitutional lawyer would have trying to unravel them, let alone someone not trained in the law. While I have no power to deal with complaints made against municipal governments, I do have power to deal with any complaints the municipal government might want to bring to my attention in its dealings with the bureaucracy of the provincial civil service. That's not important to a large city, but it is important to smaller rural municipalities and townships.

Mr. Samis, Mr. Renwick and Mr. Clement, in the course of their contributions to the debate, discussed the importance of the Ombudsman making himself available to everyone in the province, not just basing himself in Toronto and staying put here. As a result of that, we toured the province; we have done that on a large scale. Ken Cavanagh, our director of communications, has gone out as advance man, located the hall or meeting place, advertised it and we have held private hearings in these facilities. I go there, as I have in the last year, with the staff and meet these people in a totally confidential setting just as effectively as if they came to Toronto. We have opened about 1,100 new files as a result of that, and I think that was a very important part of our operation.

It is apparent to me, from what I have seen, that the Ombudsman's office is going to have to be an ongoing presence around the province. Accordingly, Gary Speranzini, who is the director of the interviews directorate, has been asked to assume responsibility for seeing to it that Ombudsman representatives go around the province on a regular basis. For example, we met all day in Brantford yesterday. Seventy-four files were opened as a result of our visit to Brantford yesterday. It's a very impressive sight to see people come out to be interviewed confidentially in their own bailiwick and know that they don't have to come to Toronto. I think the people of this province have a feeling this

office, which you people created, belongs to all of the province and to all of the people; they don't have the feeling that they are dealing with a monolith that is based in Toronto.

Mr. Renwick was one of those who suggested that since I was set up to represent everyone, a lot of people would come to me with problems that, strictly speaking, were outside my jurisdiction, but that I should assist them to find the jurisdiction their problem belonged to and give what help I could. This has been a very important part of our operation. A great many problems, we find, are out of our jurisdiction. Although they are decisions made by organisms or organizations that are financed in whole or in part by provincial funds, they are not government agents under the Act. That's another recommendation in due course that you will want to consider, whether or not some enlargement of jurisdiction in relation to organizations that are financed out of public funds, ought to be considered.

Mr. Singer was impressed by the fact that the Act required my complaints to be in writing. He wanted to make sure that I would help people put their complaints in writing where they found difficulty in doing so. As a result, the directorate of interviews—Gary Speranzini and his group—have an efficient directorate functioning that deals with people who come to see us, off the street, with or without an appointment or who phone us.

We have a very good staff development programme that is under way. It is a very important part of our operation that is under the direction of Brian Goodman and Kathy Cooper. We have worked out a lot of liaison with the Clarke Institute of Psychiatry, for example. They've assisted us in teaching our interviewing and investigating staff, as well as others among us, in dealing with people who have psychiatric problems. This has been very important to us and to a lot of the people who suffer from mental disorders who come to us for help.

We have worked out an arrangement with the College of Physicians and Surgeons and the Law Society to establish lines of communication and a means whereby complaints against members of these professional bodies or officials of the Ontario Legal Aid Plan can be expeditiously referred to the appropriate person and considered.

[12:15]

We have a good law student research programme whereby we can refer matters that need research. A lot of the problems



that we get are complicated. We have to decide if they are in our jurisdiction, first of all; secondly, if so, what are the statutes or regulations that apply? We sometimes tend to expect Brian Goodman and Kathy Cooper to do it all, and we have worked out an inexpensive economic arrangement with the various law schools whereby we can recruit senior law students to assist in complicated problems of research.

We've undertaken a number of special projects. The first one that occurs to me is the prison inquiry. I'm now sitting on the first draft of our recommendations in respect of the prison inquiry. I hope to be able to devote several days to it in the week that lies ahead so that I can expedite delivery of that report. Gill Sandeman, who is the critic of the Correctional Services ministry, has availed herself of her rights to complain under the appropriate section of the Act, and as a result of that she will be the recipient of a copy of that report when it is ready, and I hope she doesn't find it too explicit.

Ms. Sandeman: I can handle it, I think.

Mr. Maloney: Another project that we had under way that's now in the process of finalization is the inquiry re Pickering. This is a mammoth investigation and two of our senior investigators from the directorate of investigations, from Bill Atchison's directorate, were away from the office for five months—I shouldn't say away from the office, but were doing nothing but conducting the investigation into Pickering. It was a detailed investigation, a difficult one, and expensive. As I say, it's on the verge of finalization.

Ellen Adams, as a result of complaints that have come to her directorate from juveniles in training schools, now realizes that this is a problem area that calls for some sort of omnibus inquiry also, and she plans this summer to supervise a real in-depth look and investigation into the training schools.

I would be I think remiss if I were not to say that in our dealings with the Ministry of Correctional Services the deputy minister, Mr. Glen Thompson, has demonstrated determination to make sure that this whole Ombudsman concept works and he's gone to great pains to make sure that Ellen and her group and myself receive every co-operation that is possible.

Well, that's my opening statement. I would conclude by asking you to bear in mind the setting in which I'm called upon to function. That setting is a huge province, it's a huge land mass, eight and a quarter million people, with a provincial budget of

\$12.5 billion and a civil service of 70,000 men and women. We are blessed with a great many large urban areas like Kingston, Chatham, Sarnia, as well as, of course, the huge metropolises. I'm called upon to deal with a total of 57 provincial jails, reformatories, correctional centres, 29 psychiatric facilities, 13 juvenile detention centres and training schools, and a total prison population of about 6,000.

That's the setting in which I'm called upon to function. There are 28 ministries whose actions I have a right to review and I think about 200 boards, commissions and agencies. When you stop to examine the budget requirements of some of the ministries that we're called upon to look at, the Attorney General, \$95 million, the Solicitor General, who pays in part for our policing requirements, \$16.5 million, Correctional Services, which takes care of the unfortunates who are detained in prison, \$117 million a year.

This Ombudsman office was brought into being by you people as really something unique. It was the first time the little man of the province was given his own facility for obtaining redress against the hugeness of the bureaucracy, and they're taking advantage of it in a very large scale. We've opened about 4,400 files, maybe a few more than that by now. We've resolved about 2,200 or 2,300 of those. The balance is still being worked on.

The annual report is now in the process of being assembled and will be, I'm sure, a document of immense interest to all of you and to the people. I made a pledge at the beginning of my career as Ombudsman to give the Province of Ontario a blueprint for the office that would give us an operation second to none in the world, and I think you will feel that's what you have got once you have had the opportunity to study the operation of Ombudsman elsewhere.

If someone had asked you to do what I was asked to do and to give a ball park figure as to what it was going to cost, I don't quite know what I would have done had I been asked that. I suspect what I would have done is this, I would have studied the other provinces, as I have done, and I would have come to the conclusion that the province that seems most akin to our own as far as the Ombudsman operation is concerned would be Alberta, just from the point of view of its modus operandi, its efficiency, its concepts in this field. I suspect you would agree with me that very likely Alberta is the one that was most equatable with our own.



If you look at Alberta, you will find that they have an Ombudsman staff of 17 and an annual budget of \$375,000. We have eight times the population of Alberta, and while I don't think population is the sole criterion in determining how much staff you need or how big a budget you have, it is certainly a very important one, but additional criteria that are very important to bear in mind are the fact that the whole provincial budget for Alberta is \$1.1 billion. Ours is over 10 times that; 11 times that. Alberta, for all practical purposes, is Edmonton and Calgary, maybe Lethbridge, Red Deer, Medicine Hat. They don't have any Kingstons or Chathams or Sarnias or many cities of that size.

Fifty-two per cent of the immigrants who came to Canada have settled here. We are far ahead in numbers of psychiatric facilities, jails, detention centres and things of that sort, so that you would come back, I am sure, after conducting that study and say, well, if we are going to give Ontario something close to what the people of Alberta are getting, this fellow Maloney isn't going to be able to do it for anything less than somewhere between \$3 million and \$5 million and do justice, fulfil the mandate that you gave him.

I thank you so much for the great interest you have paid and the attention you have given me. I am very grateful to you. That's my opening statement and, at whatever stage you choose, we can get down to the nitty gritty.

**Mr. Chairman:** Mr. Renwick wants to say something.

**Mr. Renwick:** I really don't want to say something. I want to ask some questions if I may.

**Mr. Drea:** Before we get into that, and with all due respect to Mr. Renwick, maybe Mr. Renwick, with his long career as somebody in the courts, can make me feel more comfortable. I have a very distinct feeling today of being very uncomfortable. I don't think I can—

**Mr. Renwick:** Mr. Chairman, I don't understand how I get pre-empted.

**Mr. Drea:** No—

**Mr. Chairman:** Go ahead, Mr. Renwick.

**Mrs. Campbell:** Mr. Chairman—

**Mr. Drea:** Here we go again.

**Mrs. Campbell:** —on a point of procedure, if I may, we have the government House leader with us now. I don't think Mr. Ren-

wick was here when we raised the initial question as to the philosophy of the Ombudsman's office and requested Mr. Welch to be here.

**Mr. Chairman:** I think that's right, Mrs. Campbell. Jim wasn't here, and there is some problem of our mandate and jurisdiction at the present time. I just want to explain what's going on. We have had the House leader of the government come down and explain what we are supposed to be doing. If your remarks, Mr. Renwick, are directed to that end, I would like a clarification of what our role is from the beginning.

**Mr. Renwick:** I have always found that I generally concede that I know what I am doing when I am doing it, and with the greatest respect for the House leader of the government, I don't need the House leader to tell me what I am doing. I know what I am doing.

**Mr. Chairman:** Many of us don't.

**Mr. Renwick:** I just don't like being pre-empted by a lot of diversionary tactics.

**Mr. Drea:** Oh, come on.

**Mrs. Campbell:** Mr. Chairman, on a point of privilege, I am not trying to use diversionary tactics. We had been advised at the beginning of this meeting that our chairman was told we could not deal with any estimate, except this one, which was approved by the Board of Internal—or infernal—Economy—

**Mr. Drea:** You are right on that.

**Mrs. Campbell:** —which admitted it had no jurisdiction. Because of that last-minute statement to our chairman, we had a long debate as to whether or not we should, in fact, be dealing with these estimates. It was for that purpose that we asked the House leader to come and clarify what we understood to be his message to the chairman as we started the meeting. It is not a diversionary tactic, it goes to the heart of the matter, Mr. Chairman.

**Mr. Renwick:** Mr. Chairman, it was not my intention to upset any member of the committee. I think we are here to deal with the substance of a matter, we are not here to get involved in problems. The Act simply states that the Office of the Ombudsman will be financed out of moneys appropriated by the assembly.

**Mrs. Campbell:** Exactly.



**Mr. Renwick:** The assembly deals through its committees. This is the committee of the assembly. I was furnished with estimates of this office. Let's talk about the estimates of this office and let's report back. There is no jurisdictional problem. It doesn't need explanation. I think what has been bothering me for so long is that we are all sort of skirting around without getting down to what is bothering everybody, and I want to get down to it.

**Mr. Drea:** That's what I wanted to get at.

**Mr. Chairman:** Mr. Renwick, may the Chair say that there is a jurisdictional problem. There has arisen, as we started this meeting today, a major problem as to procedures and to precisely what our powers are. We are not clear as to what those powers are. We have asked the House leader to explain to us what exactly the government has given us as a mandate in this committee.

We are not clear about it. We agreed that while awaiting upon his attendance, we would listen to the opening statement of the Ombudsman but that we would not launch into the estimates and questions or detail. I would ask, with deference, that we be given an opportunity to hear what Mr. Welch has to say in this regard. Our mandate is not clear and he will tell you why. I don't clearly understand it yet, but let's know what we are doing and where we are going before we do any more.

**Mr. Renwick:** Mr. Leluk believes that you put it extremely well, Mr. Chairman.

**Mr. Chairman:** Thank you, Mr. Leluk, and Mr. Renwick.

**Mr. Renwick:** Is the House leader for the government here at the request of the committee?

**Mr. Chairman:** Yes.

**Mr. Renwick:** I see. I certainly wish I had been here at the beginning.

**Hon. Mr. Welch:** Mr. Chairman, in response to the invitation to attend this morning, my first comment would be that I concur, generally speaking, with what the member for Riverdale has said. The estimates of the Ombudsman are here on motion of the House. The Legislature moved that the estimates of the Ombudsman be referred to the administration of justice committee, and so they are here to be reviewed by the administration of justice committee in somewhat the same way

as a number of other estimates have been sent to committees for the same purpose.

I would be the first to admit that prior to the estimates being tabled in the Legislature—and I want to point this out—there was some discussion and some honest differences of opinion with respect to the procedure that was to be followed prior to the production of and the tabling of those estimates in the Legislature. It may be that this committee, in reviewing these first sets of estimates of the Ombudsman, might want to make some recommendations with respect to that preliminary review of estimates, that all estimates go through. It may be—I hope I am being fair when I say it may be—that you would want to recommend some changes to the legislation involving the Ombudsman that would provide for that.

These are exceptional estimates. These are not just ordinary estimates that come in the normal course from government ministries. These estimates come from an official responsible to the Legislature and established with that particular reporting relationship.

[12:30]

We have some precedent. The Speaker, another impartial office, has a procedure set out in the Legislative Assembly Act, as I understand it, where he can go to the Board of Internal Economy and then to the House, to be considered as the House decides. The estimates of the Provincial Auditor, another servant of the Legislature, get to a committee through some procedures that are clearly defined. It may be that, in establishing this office, clear-cut steps were not set out as to how the estimates would get from the Ombudsman to the Legislature and then to be finally determined by the Legislature.

Rule 86 of the standing rules of the House is very clear with respect to spending initiatives, and I would draw that to your attention at the moment. I think that what the member for Riverdale has pointed out is that we should get to the substance of the matter and discuss this point, to which I'm now responding on invitation, to see whether or not our procedures in subsequent years could be more clearly understood. But, in the meantime, the Chairman of Management Board (Mr. Auld) has tabled estimates in the House; included in those estimates are the estimates of the Office of the Ombudsman. The Legislature, by resolution, referred those estimates of the Ombudsman to the administration of justice committee; and the Legis-



lature now awaits the report of the administration of justice committee with respect to those estimates.

What I am not clear on at the moment—although rule 86 is very clear with respect to the initiative which must be taken by the Lieutenant Governor in Council with respect to spending; it must be at the direction of a minister and what I have sought some opinion on this morning from the chief law officer of the Crown—is whether there was some way, because of the exceptional nature of the estimates of the Office of the Ombudsman, if the committee wanted to express to the Legislature some concern it might have with respect to the adequacy or inadequacy of resources to discharge certain responsibilities, that could be communicated to the Legislature without violating rule 86. That is something which I'm sure the committee would like some advice on, and perhaps, rather than volunteering that, I thought it would be wise to get that advice from the chief law officer of the Crown.

If I wouldn't be considered presumptuous, I would then suggest that the committee might well proceed to consider the estimates of the Ombudsman, as you now have them before you, for the work of the Ombudsman. I'm sure he shares with you, as he has with members of the Board of Internal Economy and others, his enthusiasm as to what resources are needed to discharge the responsibilities which the Legislature has asked him to fulfil. Then, as you get near the end of that particular consideration, and depending on what your attitude is following that review, someone might be in a better position to give you a more formal opinion as to how you might communicate any concern you have with respect to the adequacy of these estimates, if that be your view at that time.

In summary, how do these estimates get here? The Legislature sent them and the Legislature now awaits your report. Thirdly, I would feel that you may well want to look over the procedure for subsequent years as to how these estimates are to be reviewed in the light of the special and unique characteristics of this office and, finally, how you might want to communicate some concerns with respect to those estimates without violating rule 86.

**Mr. Chairman:** Thank you very much, Mr. Welch.

On vote 701:

**Mr. Chairman:** We have the following speakers: Mr. Renwick, Mr. Drea, Mrs. Campbell, Gill Sandeman and Mr. Moffatt.

**Mr. Renwick:** Mr. Chairman, I want to ask some questions. I don't want to make an address or a speech about these matters.

Personally, as a member of this committee and as a member of the Legislature, I am very troubled about what has taken place in the last two or three months in connection with your office. I regret it, and I have a sensation that you yourself regret that somehow or other this whole office has got derailed in the course of its critical times of its inception. My feelings range from empathy, sympathy, concern to resentment—just that broad a scale. In the time I've been in the assembly, I have never been subjected, indirectly and directly, to as much pressure by any office, either of the government or of the private sector. I simply am sorry about it. I'm sure you must be sorry about it. I think our job here is to get it straightened around and to get it clear. That's why I am not interested in procedural matters or the methods by which your estimates get to us. I think the shortest possible route for your estimates to get to the House is the best one. I don't think it should be snarled up anywhere within the bureaucracy of government.

My basic concern is that in some way I have a feeling that what we intended was a much more intimate type of relationship, and I feel we have ended up with a corporatized type of structure that is being related to statistics, to numbers, to files and so on and not to people.

I am certainly prepared, and I want the members of the committee to know—the Ombudsman has asked for \$3.2 million; that's my understanding of the figure. Is that correct, Mr. Ombudsman?

**Mr. Maloney:** Yes. That is correct.

**Mr. Renwick:** I will support that. In a government that spends the moneys which this government spends, with the appropriations by the assembly in a new office such as this and the confidence which I have in the Ombudsman, I'm not going to argue about whether or not he should have \$1 million more or less. I recognize that this is the initial year, and I take it on faith, but I am very much concerned about the corporatization of the Office of the Ombudsman; it's a sense I have that the intimacy, the very personalized relationship that I want to see the Ombudsman have, is somehow or other getting lost in a bureaucracy which is much too great.

I want also to say that I think that, like people applying for a LIP grant, your office has been diverted to this operation for the



last two or three months and away from the job. I'm concerned about that. My allusion to the LIP grant is that there were many really fine initiatives in the LIP programme, and then they suddenly found that all of the talent was directed to finding out whether or not they were going to get their money next year to carry it on; as a result, the initiatives got lost and the very good work which was being done got destroyed.

Mr. Ombudsman, I want to be satisfied—I think the committee wants to be satisfied—that something called the element of extravagance, the element of overblossoming, in your office, is not present. I accept it simply because I know you, and I've known you for a long time, and respect what you have done. But, somewhere, something has gone seriously wrong. I don't want again to be subjected to the pressure that I've been subjected to in the last two months with respect to your estimates or the estimates of anybody or any group.

I'm speaking very deeply about what is bothering me. There is no question that, whatever the procedure for recommending to the House the reinstatement of your budget, that is not a problem for me. But I want some satisfaction in this committee that the intimacy exists about which I speak, and I want some feeling about the compassion and the feeling and the relationship to people—not in statistics or numbers—because that's what each member of the assembly over the years has found is an essential ingredient to the performance of his office as a representative in the Legislature. The institution of the office was as a result of that need, felt by members of the assembly for the people in the province that they represented, that the members couldn't do the job that was required to be done. I would hope, Mr. Ombudsman, that you would address yourself to my concern, perhaps briefly at least, and respond to it.

Mr. Maloney: Mr. Renwick, you've touched on an area that's of just as much concern to me as it is to you. I'm determined that the office of the Office of the Ombudsman will not become a bureaucracy of the kind that we're set up to survey. I don't think you judge a bureaucracy by the size of your staff. You judge your bureaucracy when it loses its sense of touch and contact and intimacy with the people. I don't think we've done that.

I think if you had an opportunity to speak to people who have been to us for help, you would come away with the feeling that the average citizen who comes to our

office for help leaves it with a feeling he's been well treated. I'm not attempting to say that our track record is 100 per cent. I'm sure we're not popular with some people whom we have made decisions against, but we had to do that. Basically, I think anyone objective would feel we're furnishing a friendly, intimate facility in which the average citizen who comes to us feels at home.

I think I laboured originally under the concept that the Ombudsman was a kind of functionary who could do most of his problem-solving by picking up the telephone, calling up a deputy minister about this citizen or that citizen. But, in fact, when you are exposed to it, Mr. Renwick, that just is not realistic. You could not do an efficient job of the kind that I know you wanted done with that kind of operation. You've got to have staff who are qualified and have expertise and in sufficient numbers to enable us, for example, to deal with a workmen's compensation file, which is about 3 in. thick. This notion of the little intimate Ombudsman sitting back in a corner behind a desk is exploded when you get looking at one of those files, let alone 250 of them. You just need a staff that's qualified and can go through those files and take the time that's needed. Or the prison situation, with all the jail facilities and detention facilities: The concept of a functionary sitting away off somewhere with a small group around him that can resolve all those questions can't be done; it's just impossible to do an efficient job.

I read where Dr. Shulman, for example, said he could do it with a staff of 4. The only way you could possibly discharge the functions of Ombudsman with a staff of four—first of all, I don't think it's possible in any view of the matter, but if you were trying to, you would probably have to resolve it in this way: You'd take one case a week, for example, and reject all other cases so that you could devote your staff of four to that one case in the hope that it would be a case that would catch the public attention and when you resolved that, maybe then the other cases wouldn't happen. You wouldn't want me to operate that way.

Mr. Renwick: No. May I just interrupt? That's not the tack I'm on. I think anybody who has been aware of the work which I have tried to do, representing the riding which I represent, would know, first of all, that I've never dealt with anybody's problem on the telephone. I deal by correspondence; you can't deal any other way with government.



I considered, during the course of the debates in the assembly, that what I was saying was reflecting my own experience in Riverdale, which was preceded by the experience of Robert Macaulay, who was then the member for Riverdale, where we had this Wednesday evening WoodGreen Community Centre legal clinic. It had nothing to do with politics or partisan politics or anything. I was simply asked to go there after Bob Macaulay resigned. I was asked by the minister of the WoodGreen church if I would take on the work which Bob Macaulay had done. It became part of the role of the member of the assembly in the riding of Riverdale to do that job and whoever succeeds me, regardless of party affiliation, I am certain will be required and obligated to carry on that operation.

[12:45]

I was there Wednesday evening of this week and 28 people came. We get between 15 and 30 people every Wednesday night, and have for years. Each one of those persons sees either myself or, now, Audrey Bayduza, who is a lawyer, I am fortunate—because we have the constituency office—to have there with me to share the work. We deal only by correspondence, except in an emergency situation. We try to follow along and follow up the cases and deal with them. I believe we do that and still retain a connection with the person who is there who has been to see us. I have no problems with the fact that you need staff, I have no problems with the fact that you need competent staff, and I have no problems with the question that one has to be efficient, because follow-up is important.

I began to get worried when I found that you were in a downtown office several floors up, and I started to think about the man or the woman in Riverdale who had a problem ever finding their way to you, or to a member of the staff; just physically getting there. I still have that kind of concern. I think you are on the right track. You are doing a significant amount of outreach now. You are meeting at Dixon Hall, which I wasn't able to attend, but if you are there I don't feel I have to be there when I have competing obligations about it.

I just want to make certain that throughout the course of dealing with each of those cases there is not the inception of the problem and then it is taken down as a lawyer sort of takes it down in the office and then when he needs his client again he deals with his client, when he needs the client. Many times the client never knows what is going on from beginning to end. I would like to feel that somehow or other there is contact between

your office on a regular basis with each person during the course of the problem being worked out, a note of reassurance, a telephone call to say, "You were in here two weeks ago and I want you to know we are working on your problem"—something to maintain that sense of intimacy which gets lost in a professional or over-bureaucratized operation.

**Mr. Maloney:** I really have the impression, Mr. Renwick, that we think alike on the subject, and I think if you had an opportunity to see some of the correspondence that passes between us and the people who come to us for help, you'd feel that by and large we were living up to your hopes and expectations in that regard. Again, we are not perfect and there are people who will complain about us. But, by and large, I think the majority of people we have served would not fault us for becoming a huge corporate structure that had lost touch with them.

I was determined that I would not become a bureaucracy, and I would remain sort of manageable in size in order to prevent that from happening. On the other hand, I thought it was imperative that I have sufficient strength and power and clout that when a confrontation happens—as it is bound to happen from time to time or you wouldn't have an Ombudsman—between me on behalf of the ordinary citizen on the one hand and one of the huge parts of the bureaucracy on the other, I would be able to put up an even-steven fight.

I think the ministries realize that. They realize now that there is an existence in this province that you people brought into being, an organism that is strong and well staffed by highly qualified people, and that when we make a recommendation, when we conduct an investigation, we know what we are doing. Trying to balance the two isn't easy, but you've just got to put your trust in me and Ellen. You know us both, and you've got to know a number of the others now on the staff and I know you are impressed by them. You've just got to put your faith in us that we will make sure that this development that concerns you doesn't happen.

We're aware of it. It's always uppermost in our minds and you can be sure of that. We've a great respect for your views. We've read your contribution to the debate and we've derived a lot of help and inspiration out of some of the things that you've said. Those things didn't fall on deaf ears as far as we're concerned, nor what you say today. So many of my staff are here and they will react just as I have to what you've said.



**Mr. Renwick:** I appreciate the response because I needed that assurance. I think it's helped a little bit to restore my detachment and objectivity about it in the light of the pressures to which we've been subjected in the last while. I'm speaking very personally. I don't want to be subjected to it again. I will resent it greatly, because if that happens again I will then feel justified in being extremely difficult in the way in which I look at the estimates of your office.

I would hope, Mr. Chairman, that whatever amendments you want made to the statute would come forward in time to be dealt with this fall. I don't think we can fool around. One bothers me particularly. I think your jurisdiction is limited unnecessarily on the question that any person, to receive your jurisdictional authority, must have exhausted every other avenue. There is a limited flexibility for the Parliamentary Commissioner in Great Britain to intervene without having to say jurisdictionally, "You have to exhaust all your other remedies before I can do anything," because the exhausting of remedies in our court system is, in many ways, a very lengthy and time-consuming operation both in the courts and in other procedures. I would urge you to get those proposals before members of the assembly during the summer recess so that we can begin to think about not necessarily the legal jargon of them, but what you're thinking about.

The other comment I would like to make is that the committee which is referred to in the Ombudsman bill, the committee of members of the assembly, should be instituted and be the continuing regular basis of communication, not once every six months, on a formal basis. Is it a standing committee, Mr. Chairman, or a committee of members?

**Mr. Chairman:** What good's a standing committee?

**Mr. Renwick:** The conception, as I understood it, was that there would be a committee of members—a small committee, maybe half a dozen, six or seven—with whom you would consult regularly, weekly if necessary or bi-weekly, not for the purpose of reporting or anything else, but sharing concerns or problems which you have.

In that way I have a feeling that you can fulfil your mandate better if, in some way, the people who come through us as members can be in contact with you as Ombudsman in order to see whether or not you could deal with some of the problems which come to us better than we can deal with them, and at the same time maintain the kind

of intimate relationship which has developed between members of the assembly and their constituencies just in, I guess, the last 10 or 15 years.

It's a quite simple, cold fact of politics that if one is aware of and responsive to and has empathy toward the individual and group constituency problems, it won't matter what the tide of political opinion is, you will hold your seat, if you want to put it in those terms. If you don't do that you'll lose your seat, and it won't matter whether you're a Conservative, Liberal or a member of the New Democratic Party.

I think that what brings many of us to public life is the desire to be of service; and the service of your office I consider to be simply an extension of what we as members try to do. I have never had any sense of resentment about you being an intrusion, your office was created to assist us to do much better what we as members, with limited facilities and limited time, can do.

**Mr. Maloney:** Mr. Renwick, the suggestion that I prepare any proposals I have in mind to put to you by way of suggested amendments, and that I get that done over the summer recess so that you will have an opportunity to look at them, I think that's great and I will undertake to see that is done. We have some ideas that, in the light of our experience, we think should form the subject matter of consideration as possible matters to be amended.

As you point out the Ombudsman was a creature of the Legislature, created by you; you people brought him into being. I suppose, as I have said on a number of occasions when I have spoken, you could have enacted a law whereby each one of you could have exercised the powers you have conferred upon me under section 20: to enter government offices, seize files, examine them, hold hearings, give the oath. But you can imagine the chaos that would lead to if each one of the 125 tried to exercise those powers on the same day. So you set up a functionary like me to discharge those responsibilities, really, for you. By providing in the Act, as you do, that I am entitled to deal with a complaint that is brought to my attention by a member of the Legislature, you then put into motion all that machinery, as a result of which, vicariously and in that indirect way, you acquire access to all this information.

In other words, it was a feasible solution to the dilemma an MPP would have in otherwise having to say: "Well, if we enact a



law that gives all of us power to do that it would lead to chaos". This is a more convenient way to do it.

So it makes me very much an officer of the Legislature and a partner in the mechanism of the government, insofar as it involves the legislature with all of you, and I look upon it as that.

**Mr. Renwick:** May I make a last comment? I think that committee of the assembly is not only the proper vehicle, the only vehicle, with which you should be dealing with respect to your estimates, your daily needs, your desire to consult, your wish to maintain contact, your desire not to get isolated; I think that committee, whether it is standing or select so long as it can sit at any time or at call, very informally, should become the instrument by which you maintain your connection here.

**Mr. Maloney:** There was a select committee on guidelines, wasn't there?

**Mr. Chairman:** Yes.

**Mr. Renwick:** But there is a continuing committee provided in the Act, as I understand it.

**Mr. Maloney:** Yes, I understand that.

**Mr. Renwick:** Yes, and that committee, the select committee sat right at the very beginning and then disappeared. There must be a continuing committee of the members of the assembly, that you deal with, appointed in such a way that next year, as you are developing your needs and so on, it will be part of a process, so that when it appears in the book and comes back to this committee, we will know that colleagues of ours have been closely associated with you in the course of the development of it and we will be able to talk about the substance of your office, not about the dollars, because the substance will justify the dollars and the dollars can't justify themselves.

I hope that the Act which requires that committee, will become a vital, significant part of your office so that you feel, and the members of that committee feel, that you consult with them regularly and on specific occasions, and at any hour of the day or night. I think that as and when you travel to various parts of the province, one or two of those members might be able to accompany you on a portion of your trip to be with you when you are there. Not just that when you go to a particular place you happen to have the local sitting member there, that isn't it; it is the committee which is part of this

assembly, participating in what you do and having a thorough understanding that the objectives that you want to accomplish and that we wish to accomplish are being, in fact, accomplished.

[1:00]

To have a distance created between us, in our collective sense as members, and the Office of Ombudsman would be just wrong and the medium for the communication is the ongoing periodic, special, emergency, any hour of the day or night—if an emergency were to develop, for example, and there was such a committee and you were to call any member of the committee and say, "Look, I have a problem, I'm going to this institution right now"—which I'm sure may very well occur in the course of the operation of your office—"I want you, a member of the committee of this assembly, to come with me."

It's somehow or other out of that that we can keep the humanity of the office, both because of your own nature and your own compassion and your own ability, and the feelings which most of us as members very rarely have an opportunity to express in the strange world of political life. Every member I know in this assembly shares the same feelings of concern about his constituents and we very rarely are allowed, in this strange machismo world, ever to express one's feelings about it.

**Mr. Chairman:** It's almost 1 of the clock. Just on that one point, the select committee on guidelines of the Ombudsman made the recommendation of a standing committee and the legislation would have to be amended to bring it into being. Are you finished?

**Mr. Renwick:** Yes, I am, Mr. Chairman.

**Mr. Chairman:** The next day the first speaker on my list is Mr. Drea, then Mrs. Campbell, Gill Sandeman, Mr. Moffatt, Mr. Stong.

**Mr. Drea:** Mr. Chairman, just so you won't have to worry about who comes on first, I want to serve a notice of motion that I find this whole proceeding very degrading—not for myself, because I've been in silly committees before, but I find it very degrading for the Ombudsman. I'm going to move, on our next day, that we dispense with all of this; that whatever the Ombudsman requires in terms of budget, it is treated in terms of confidence that either he gets every last cent or we ask a very honourable man to resign.

We've played games around here today and I realize that's the function of commit-



tees. There is no way I am going to be put in a position where I am going to have to evaluate the work of a high court judge, and as far as I am concerned this position, to me, is that of a high court judge over me. I may very well wear two hats in here, I may do a lot of things, but there is no way that I am going to strip away from somebody who is sitting in judgement on the administrative programmes of this province and what they are supposed to do—

**Mr. Chairman:** Mr. Drea, the Chair is going to—

**Mr. Drea:** Well yes, as usual you will rule me out of order.

I'm just telling you I'm going to serve you notice, whatever you want to meet—

**Mr. Chairman:** You can make your case next day.

The committee adjourned at 1:03 p.m.



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 Welch, Hon. R.; Minister of Culture and Recreation (Brock PC)  
 Office of the Ombudsman official taking part:  
 Maloney, A. E., Ombudsman









# Legislature of Ontario Debates

**SUPPLY COMMITTEE—2**

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**ESTIMATES, OFFICE OF THE  
OMBUDSMAN**

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

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**Monday, June 7, 1976**

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**Speaker: Honourable Russell Daniel Rowe**

**Clerk: Roderick Lewis, QC**

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## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

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MONDAY, JUNE 7, 1976

The committee met at 3:15 p.m. in committee room No. 2.

#### ESTIMATES, OFFICE OF THE OMBUDSMAN

(continued)

**Mr. Chairman:** I think we will come into session, come to life and resume the estimates of the Ombudsman.

Perhaps before proceeding, if I may, I will make a brief statement. I spent part of the morning with Mr. Welch again. As a result of that, I wrote a letter to the Attorney General of Ontario (Mr. McMurtry), which I have here for anyone who wishes to peruse it, asking for continued clarification of precisely what we're doing. But to cut a lot of nonsense out, it seems to me this is where we are. This committee may make a recommendation, precisely to whom I'm not clear just at the moment, probably to the Lieutenant Governor in council. If we look at the rules, rule 8 is the thing that is blocking us at the moment. It specifically mentions the Lieutenant Governor in council. I mean we should have an alternative. There is no known minister, so I discover, actually equipped and presently qualified to move supplementary estimates through the House. Our role would be to peruse these estimates and come to a shrewd conclusion and to make our recommendation as to precisely what we think should be done. Then it is in the lap of the government. That's where we stand; that's what we're doing.

**Mr. Singer:** Mr. Chairman, could I comment on that? I heard about this and unfortunately I couldn't be here on Friday. I am puzzled and a little less than happy with it.

You may recall, sir, that the House set up a select committee to inquire into the Ombudsman, to set rules and so on. Among our recommendations, there was one that was not acted on, one major one. Very few of them in fact have been adopted. I don't know how that report has fared. You were on that committee.

**Mr. Chairman:** Mr. Singer, if I may interject, Mr. Maloney went over this, and quite a number of our recommendations have been accepted by the Ombudsman.

**Mr. Singer:** They have been accepted by the Ombudsman, yes. But the one we made to the House, that there be that committee or something like it constituted on behalf of the House to deal with the budget and to make recommendations, would have overcome a great deal. The dilemma in which we now find ourselves is that we have come to the point where somebody has pencilled or printed in a figure of \$2.3 million, and the Ombudsman says, "I need \$3.2 million." We will sit and listen and in our wisdom or lack of it decide that one figure is right and the other is wrong. What then do we do with it? To send it to the Lieutenant Governor in council is a bit ludicrous because the Lieutenant Governor in council is not the one who deals with it, the House should deal with it. For the Lieutenant Governor in council to deal with it in camera, as she will, makes no sense at all.

We are stuck on the horns of a very great dilemma. We are dealing with an official who is responsible not to the Lieutenant Governor in council but by the statute responsible to the House. We have no vehicle, and certainly this committee is not the vehicle, which allows a proper dealing with that matter. I suppose the only thing to do is to have some kind of a recommendation, I wouldn't say to the Lieutenant Governor in council but to the legislative assembly or to Mr. Speaker on behalf of the legislative assembly. Otherwise, we are in breach really of the main principle of the Act.

**Mr. Deans:** Mr. Chairman.

**Mr. Campbell:** Mr. Chairman, I'm sorry, I'm going to protest this if you are going to hear Mr. Deans now. We had established an order of speakers on Friday. Mr. Drea was to wind up and gave notice that he was going to move a motion. I was the next speaker. Is there any point in doing this if you are going to ignore that?



**Mr. Chairman:** No, Mrs. Campbell, I wasn't ignoring it. A preliminary statement was made of the status of this committee. Arising out of that, I thought those statements of which you're speaking arose out of the ongoing estimate. This is an interim or preliminary matter before we get into the estimates today. However, I think you have a point and the people on my list, as of the other evening, were Mr. Drea, Margaret Campbell, Gill Sandeman, Mr. Moffatt and Mr. Stong, but he's not here at the moment. I think we will revert to the order of business as we left it the other evening. I shall put Mr. Deans down.

**Mr. Drea:** As long as Mr. Singer made his observations, why don't you let Mr. Deans add his and then we'll start?

**Mr. Deans:** I'm sorry, I didn't mean to interrupt. I thought you were speaking to the point raised by the Chairman and only that point.

**Mr. Chairman:** I am saying Mrs. Campbell's point of order, I think, is well taken. I turn to you; you're next on the list.

**Mr. Drea:** Mr. Chairman, I served a notice on Friday, but quite frankly, certain things that should have developed since Friday haven't. One of the difficulties is an official opinion on rule 86. I know that rule 86 is reporting back to the Legislature and Mr. Singer has touched upon the difference between that and reporting back to Her Honour the Lieutenant Governor.

I am concerned a very great deal about this, Mr. Chairman, and I would like to paraphrase some remarks made not so long ago by the Attorney General of the United States because I feel they're very germane.

He was talking about the court system. He was talking about the fact that as Attorney General of the United States he controlled all the moneys in the courts. He even controlled when the members of the court, not only the justices but their entire staff could move around literally, the type of accommodation they had, and whether they even had a court reporter. He went on and on for about five pages of fine print and ended up saying "And, by the way, I happen to be the litigant in about two-thirds of the cases before those courts."

It seems to me as a committee of the estimates rather than a select committee—and I bow to Mr. Singer on that because he put a great deal of effort into the particular select committee on the Ombudsman—in a

question like this the jurisdiction shouldn't be, for other than cursory purposes, with a regular committee of the estimates. It seems to me that whatever official opinion comes down on standing order 86, really the office here is being forced to tailor itself to something which was around the Legislature long before this particular office was even envisaged.

What concerns me a very great deal in this is that as a standing committee we are in the position of confining the person who sits in judgement upon all of us. To me this is a very difficult problem to resolve.

As I said the other day, the person who fills this office is in a position which is like no other. It's a position of absolute, total trust. It has to be; that's the function of it. It has powers far beyond those of anything comparable in government. It has been the experience in Alberta, Quebec and in at least one of the Maritime provinces to have found themselves in exactly the same dilemma as this committee.

When it begins, it begins with great fanfare and the office is hailed. Subsequent to that, the first time money is mentioned for some reason it becomes a test of strength as to whether it is the Ombudsman who decides his priorities and what it will take in terms of resources to meet those priorities, or whether it is the Legislature which decides his priorities indirectly by deciding on the resources he will have.

The \$2.3 million is a substantial sum. But if the Ombudsman feels that \$3.2 million is what is required, then I fail to see how a committee like this, that is set up purely to judge the efficacy of the estimate, not necessarily the merit of it, can really sit and say it has to be \$2.3 million because under a rule we have no power to recommend to the Legislature. Wherever your battle is, sir, your battle was decided long ago. Really somebody else has been found wanting. If you ask for something and you don't get it, and if then you come before a committee and say you really need it, then surely it is up to the committee to decide if you really need it.

In this particular case, in the opening statement the other day \$2.3 million was the considered opinion of the Ombudsman as to what the priorities of his office required in terms of resources. By the time it reached this committee, emasculated as we are, if the interpretation of rule 86 continues on its present vein, it was down to \$2.3 million.



Now we're being told we can't raise it under that rule 86.

I suppose one of the ways we can attempt to bring it back to a position would be to move that we ask the executive council to go to Her Honour the Lieutenant Governor and ask for supplementary estimates. I suppose that is one way. Again I think something Mr. Singer said is much more germane, that the responsibility of the Ombudsman is not to the Lieutenant Governor in Council, it is to the Legislature.

On the basis of that, try as I may, I simply find no way out of the dilemma. If you ask me to consider \$2.3 million, I have to say that obviously I'm finding lack of public confidence in the Ombudsman, and that lack of public confidence has been done by somebody before me who has very effectively tied my hands. There is nothing I can do to remedy it. It seems to me the difficulty in here is that this particular committee is not the place where these estimates should be evaluated. As to how we get out of it, it would be very easy for me, and I'm perfectly prepared to do so, to move the motion I suggested on Friday. Even if we vote for it, it is my understanding that nothing will happen until an opinion comes down. If the opinion is contrary, then nothing has happened and we start all over again. I find that very frustrating and not worthwhile.

In terms of the jurisdictional dilemma that has been thrust upon us, and in terms of the dilemma as to who should decide and how the budget of the Ombudsman should be decided, I don't see any other alternative except to try to pursue the position and let us see the official opinion, if there is such, or at least the considered opinion on rule 86. Let us see what that is. Then, dependent upon that, we can attempt to move forward.

If we are in a position where we cannot recommend any increase, then I think there are other procedures for us to take. One of them might very well be just to stay the whole proceedings until somebody rectifies the jurisdictional problem, which I suspect can be done relatively quickly. If it comes down that we can recommend supplementary estimates, that that's not just a matter of ministerial or cabinet discretion, then it seems to me that that is the appropriate route to take. In the meantime it seems to me somewhat foolhardy to consider \$2.3 million and then consider another \$900,000. Subject to the views of others here, I would like to move that until the question of the real application of the standing order as applied to this committee is clarified we

stay the procedure of these estimates. I would move that, Mr. Chairman.

I understand, by the way, that despite the fact that the request for that opinion was made the other day, there appeared to be a bit of confusion. They tell me if it's asked for officially today it shouldn't be more than 24 hours before we meet again.

[3:30]

**Mr. Chairman:** Mr. Drea, it has already been asked; the letter I wrote specifically asked that we have this information before we come back into session on Wednesday.

**Mr. Drea:** When was the letter sent?

**Mr. Chairman:** It was given to the Attorney General; delivered in person by me. Are you finished, Frank? Mrs. Campbell.

**Mrs. Campbell:** Mr. Chairman, I find myself in a similar dilemma. It seems to me that when this office was established it was recognized—

**Ms. Sandeman:** On a point of order—

**Mr. Chairman:** Pardon me, for a moment, a point of order. A motion has been made. Has that motion been seconded? Any seconder?

**Mrs. Campbell:** I will second the motion.

**Mr. Drea:** The motion was to stay the proceedings of this committee until an opinion is received on exactly what the standing order means.

**Mrs. Campbell:** They stay it until they get an order.

**Mr. Reed:** I will also second.

**Mr. Chairman:** All right; we will proceed with the debate.

**Mrs. Campbell:** Mr. Chairman, there are several things which have arisen out of this particular problem with which this committee is faced.

To me, the Ombudsman's office was a very special office as has been suggested. I was somewhat confused when Mr. Drea, in the last meeting, spoke about the fact that he felt it was improper for anyone to review these estimates. I couldn't go that far perhaps because I have been a judge in the family court. I know that there you have an Attorney General—not the Attorney General but bureaucrats—who decide whether a judge is allowed to have a library. It is one of the important issues in being here as far as I am concerned.



I think somebody has to have a look at these estimates. I don't think there is any question about that. I don't think anyone should be expected to accept holus-bolus whatever comes from the Ombudsman's office. However, really, we haven't had a full year of operation as yet.

The function of the office falls, as I see it, into two main parts. One is the individual who feels that he or she has been deeply wronged. The second is the more global issues involving penal reform or at least correctional institutions reforms, the Pickering area and all of these rather larger issues. For me, at this point in time, to try to determine what is necessary after such a short experience is pretty ludicrous. I submit that for anyone else to make that determination is equally ludicrous. While we may have important people in "infernal economy" or whatever I don't really think that as individuals they are probably any better able to adjudicate upon this kind of an issue than any one of us here or the combination of all of us.

As I explained on Friday, Mr. Chairman, my dilemma was simply this: If we proceed with the estimates which have been approved by those who admit they had no jurisdiction to approve, I don't know whether we are not being placed in a position of accepting that which is intolerable. I did mention the matter of the straw poll as to whether, having accepted the \$2.3 million, we would sometime be able to come back to \$3.2 million and even look at it.

The chairman, as lawyers are wont to do, disagreed with my position, but in any event I still hold that this entire procedure is in question. My view would be that we should in fact, look at the \$3.2 million and see whether or not, in our opinion, we could come to that conclusion that the \$3.2 million is necessary.

One thing that bothers me a bit about the motion is that, again, we're submitting it to some powers that be and, in my view, the only powers that be for this particular function are the assembly itself. My view is that this question should go back to the assembly for debate and for clarification of the issues and not, for instance, to the Attorney General (Mr. McMurtry) or to a House leader or to anybody else. It needs to go to the assembly, which is the only body that could be deemed to be the master, if you like, of this function.

Only the assembly, as I see it, could bring forward—and I don't know the procedure for doing it—any supplementary estimates. It was

suggested to us, and to me specifically, that perhaps if I would just accept the \$2.3 million we could then subsequently adopt supplementary estimates. But since there is no procedure that I'm aware of for doing that, I think we're really stuck, right at this point in time, to know where we go.

I regret the delays that would be inherent in my amendment—I suppose if I could move it, it would be an amendment to the motion—that the report go back to the Legislature with the recommendation that we view the \$3.2 million. However, I think the Ombudsman himself and his staff would probably be very much better suited if it went back for that kind of clarification rather than to have us mucking about today not knowing what we're doing.

Mr. Renwick, the other day, said he always knew what he was doing and I think, normally, he does. I think I usually know what I'm doing but in this case I'll be hanged if I know what we're doing. I really would suggest that perhaps the whole committee support a motion to send it to the assembly. The chairman has the right to report to the assembly. He has the right to make recommendations to the assembly.

In the normal course, I would like the committee which the select committee advised be set up, to be an ongoing committee which would do more than deal with the estimates of this function but would have that ongoing kind of relationship to which Mr. Renwick addressed himself on Friday. I think there is a feeling of remoteness and I'm sure it's as much my fault and our fault if that is the feeling, as it is anybody else's fault. I think there should be some committee that is ongoing in dealing with the day-to-day organization—although I don't mean it in quite those terms literally—and with the rest of the function and then, subsequently, being highly knowledgeable and being able to sit down and really understand the estimates in time.

I suppose that to recommend the setting-up of that committee would be, at this point, probably constituting a serious delay. But if this committee makes it abundantly clear that this is what must happen, perhaps that too could be resolved at least before the end of this week, so that the members of the committee could be delineated and they could then have before them the estimates of the Ombudsman to deal with in a significant fashion.

What bothers me in this particular exercise is that there is no real capability to deal with the function as anything other than a routine function of government. In my view,



and with the greatest respect, going to the Lieutenant Governor in Council; is not going to serve any purpose, because the Lieutenant Governor in Council obviously takes her counsel from the government members or the cabinet. So that doesn't help us at all and it puts her in the invidious position that she is expected to resolve this knotty problem of jurisdiction.

I wondered whether the mover of the motion would be inclined to incorporate within the motion the suggestion that the report go to the assembly with specific recommendations that, in fact, the committee should deal with the Ombudsman's original estimates, as we have them prepared here; and secondly, that they proceed forthwith to establish the all-party committee, which will be an ongoing committee dealing with the Ombudsman and not a part of the justice committee alone. Since I can't move it I am inviting the amendment.

**Mr. Drea:** I wouldn't be disagreeable to it, if you can do it. I am under the impression that if the opinion goes the wrong way that it can't go back to the assembly for the \$3.2 million, that it stays here for the \$2.3 million.

**Mrs. Campbell:** Mr. Chairman, we are not going to know until we try.

**Mr. Drea:** All I suggested was I don't feel like going any further until we know what that opinion is, and then you try to chart your course from there. I am in perfect agreement with you. That seems to me the logical and the proper way to do it, except that every time I raise it another legalist puts another impediment in the way.

**Mrs. Campbell:** With the greatest of respect, I don't know what legalist was advising "infernal" economy, but they are the ones who undertook to look at it. They came up with a figure and established beyond any shadow of a doubt that they knew they didn't have the jurisdiction to meet the figure. This is a ridiculous thing. It's too bad the Ombudsman couldn't give us the benefit of his great experience in the legal field.

One thing I would like to say is that there was reference made last Friday to great pressures being brought to bear—at least upon the member for Riverdale (Mr. Renwick). I would like to say—and perhaps it is because I am not a member of this committee in the normal sense—I have had no pressures brought upon me, no discussion with anyone in the Ombudsman's office at all. I have simply—

**Mr. Norton:** Perhaps it is just that some of us are less susceptible to experiencing pressures.

**Mrs. Campbell:** Oh, I have experienced pressures, very fine pressures; but in this case I have not had any pressure at all.

**Mr. Chairman:** Mrs. Campbell knows when she is being pressured.

**Mrs. Campbell:** I haven't even been approached. I want to make that clear in my statement.

**Mr. Drea:** Mr. Chairman, the member for St. George (Mrs. Campbell) has raised what is the most substantive amendment. You are the one who would have to take it from there. I wonder what your considered opinion is on the matter, since you have already written the letter asking for an opinion.

**Mr. Chairman:** The chairman, in a mood of untoward latitude with respect to the operations of the committee, Mr. Drea, wishes to hear all the members on this matter. I wish the members of the committee would address their remarks specifically to Mr. Drea's motion with respect to staying the hearings at the present time until this reference back is made, if we could do it that way. Who would like to speak on this matter?

**Mr. Kennedy,** did you wish to speak on this? Well, Mr. Deans was on a list previously and he wants to speak on this.

**Mr. Deans:** I regret I am not a member of the committee, because I would like to have taken part to a greater degree than I have in the deliberations. I want to make it clear to Mrs. Campbell, "infernal" or otherwise, that the Board of Internal Economy had thrust upon it the responsibility of looking at the Ombudsman's estimates. It didn't seek it.

[3:45]

**Mrs. Campbell:** I'm aware of that.

**Mr. Deans:** It was given to us a year ago at the time the Ombudsman's office was first set up. There was no question, at that point, as to the validity of the board's operation or its jurisdiction. At the time the Ombudsman's office was first established, the board was the body that did pass the necessary estimate moneys in order that the Ombudsman's office could be maintained. It became clear to a number of us on the board, prior to the Ombudsman appearing before us, that there was some serious question about the legality



of that particular committee dealing with those estimates.

When the Ombudsman presented his estimates, in somewhat less detail I might say than the estimates that appear before you, when they were first presented to us, even at that point, no question was raised about the legality of the board's dealing with those estimates. The board began its deliberations and took only one part of one day. I might say to you that there's no question in my mind that they did not receive a full and in-depth review, because no sooner was the matter begun than the question of jurisdiction arose.

I agreed with the Ombudsman that the board didn't have legal jurisdiction. I think he will recall my saying to Mr. Goodman, his legal adviser, that there was no need for him to read to us the reasons why because I believed them from the very beginning.

Nevertheless, we were faced with a dilemma, the one that you're faced with. We sought legal opinion. We had only one day because the estimates were due to be printed on that day and had to go to the printers or he didn't get any money at all. Having had that short period of time, all that we could find justification for was the \$2.3 million we approved.

That doesn't mean that that's all that there was justification for. That means simply that on the basis of the time and the information we had, that's all we could see as having been justified. Rather than leave the Ombudsman in the very difficult position of having no money at all, or leaving ourselves in the equally difficult position of approving something which we frankly had not yet received justification for in our minds, it was moved by one of the board members, seconded by another—neither of which was me—that the sum of \$2.3 million be included in the estimates in order that the Ombudsman could continue to operate.

It says, in fact, that the estimates go forward and the board recommends "an amount of \$2.3 million be placed in the 1976-1977 printed estimates of the government of Ontario for the office of the Ombudsman so that the office will continue, as is the intent of the Ombudsman Act, 1975." I think, at that point, we all understood that some more in-depth review of those estimates was going to be undertaken.

In addition to that, we asked for certain things, and I believe you have all this before you. We asked for certain clarification. We asked, for example, that the question of the jurisdiction be turned over to the law

officers because we frankly didn't have the power to decide on our own, although we had decided, on balance, reading the Act we didn't have the jurisdiction. We agreed that we would seek clarification from the Lieutenant Governor in Council as to how the estimates of the office of the Ombudsman should be reviewed prior to their submission to the Legislature and subsequently. Everyone's estimates must be reviewed by somebody and we asked that there be clarification from the Lieutenant Governor as to how that operation was to be pursued.

We asked to recommend to the Lieutenant Governor that the authority be given by section 8 and that the authority given by section 8 of the Ombudsman Act be examined by the Lieutenant Governor in Council and clarified with regard to whatever control mechanisms were to be employed by the Legislature in terms of establishing salaries, and terms and conditions of employment, subject to the approval of the Lieutenant Governor. We also recommended to the Lieutenant Governor that an agency outside government examine such matters as salary, classifications and the like. We were faced with exactly what you're faced with.

I don't recall that Mr. Maloney was present at the time—he can correct me if he was, but he may not have been. Certainly the board recognized there was very little doubt that there would be supplementary estimates required at some point in the future for the operation as soon as it had been cleared up—as soon as the role and jurisdiction were cleared up.

What Mr. Drea is saying is absolutely correct but there's a problem with it. Unless you get your clarification very quickly—and I'm not at all sure how you can get that clarification—whoever it is you are seeking the advice from, the Ombudsman is in a very difficult position of not having estimates approved. How he then operates is beyond my understanding.

That's what I didn't understand when we were faced with dealing with it. How was he ever going to be able to operate unless he had some money to get by with until such time as these matters were cleared up? That was the intent of, that was the motion of and that was what happened at the Board of Internal Economy. That doesn't say there may not have been certain animosities developed. There's no question that there probably were.

I think they developed over other matters and I want to suggest to you that you don't wait while you're seeking that advice



whoever it is you're seeking it from. I don't see how it can be outside the jurisdiction of a committee, reporting back on its deliberations, to report back that it is of the belief that the moneys made available are insufficient. Every committee reports back on each of the estimates it peruses. Until now it has been a cursory report saying simply that the following moneys have been approved.

I can find no evidence anywhere that would preclude the committee from saying, "Further, we believe that additional funds will be necessary for the office of the Ombudsman to continue until the end of the current fiscal year."

If that's something you don't want to do, you're reporting to the Legislature and if the Legislature chooses to accept that report the Legislature is, as you've all said, a sovereign body and quite capable of making its own mind up on matters such as that. I would think that in your report you could quite easily deal with that.

If you delay by waiting for a legal opinion—allow me to think ahead—if the legal opinion is that there is nothing in the Act or nothing in the rules or regulations of the Legislature which permits a committee of the Legislature to spend more money than the moneys recommended to it—which I believe to be true; I'm talking about specific sums—if that turns out to be the case, we're faced with another major problem and the Ombudsman's difficulties are compounded.

**Mrs. Campbell:** Mr. Chairman, there's no question that if this were in the normal course of procedure we couldn't recommend a dime more. There's no question on that; you don't need a legal opinion about it.

**Mr. Kennedy:** Mr. Chairman, at the outset, I want to say, in response to Mr. Renwick's comments the other night that because of other commitments I was unable to accept the two invitations from the Ombudsman to visit that very interesting office. I did get quite a shower of literature, copies of correspondence and copies of the budget but I must say I didn't feel it was undue pressure in any regard. I get a lot of correspondence which provides perhaps as much pressure, if that's the correct term, as that did. It set out the situation as it was and I appreciated it. I never thought of it in terms of pressure.

Anyway, as I understand this the figure before us, \$2.3 million, came through the Board of Internal Economy. It's in the estimates and it seems very clear that we can only deal with it in the context of section 86 of rules and procedures, Standing Orders,

in the supply section of that publication. As I view it, we have two choices: Mr. Drea's suggestion; or we can deal with the figure before us. We can't deal with any other, according to rule 86.

As was mentioned, I don't know the current financial situation of the Ombudsman. Does he have no money at all in the interim? De we provide for his needs through the figure before us? To clarify that further or take it along the way, the fact is there's no provision either in the Ombudsman Act or the Legislative Assembly Act for a procedure for the review and introduction back to the House of these estimates.

If we took the route of dealing with the figure before us, it would seem to me that this committee could, whether it's proper or not, make a recommendation that the Legislative Assembly Act be amended to provide that Mr. Speaker's Board of Internal Economy would recommend to the Treasurer the amount to be placed in the estimates by some minister of the Crown in accordance with section 86 of the rules of order.

I think that's the quandary we're in. We could go through this and then go to what I presume would end up as being supplementary estimates if the committee feels there should be additional funds provided. I put that forward, Mr. Chairman, as what seems to me to be a very clear choice that we have—Mr. Drea's suggestion or to proceed with these estimates as they are before us with some further recommendation. How valid or how legalistic it is I wouldn't be prepared to say; I don't know. It seems to me those are the two choices and I suppose the urgency is part of it. An amendment to the Legislative Assembly Act might not be as swift as we'd like; I don't know. Those are my comments.

**Mr. Moffatt:** Mr. Chairman, I listened very carefully to the motion which Mr. Drea put forward and I think he's correct in his intent with the motion—that is, to get this entire situation clarified once and for all. This is a particularly unusual situation now, an office for which there are no experts, despite what people have led themselves to believe. No one knows exactly how this is going to function as an office of the Legislature because it has no real parallel.

I'm not sure whether everybody knows where they're going or what they're doing but I question whether we know why we're doing some things. What is going on, it appears to me, is that people are trying, by means of a committee, to build some sort of administrative structure to deal with such an office as that of the Ombudsman. That



may well be a good intent but I don't think it's going to work. Committees can't build things.

The important thing, to my way of thinking, is to establish right now some sort of interim procedure by which the Ombudsman and his operation will be facilitated and then to pursue, as Mr. Kennedy has suggested, the larger question of to whom is the reporting done; who sets this original schedule or number whichever it might be.

In a normal parliament in Ontario it might well be a dangerous thing that the office of the Ombudsman would be subjected to the setting of a number by some group, whether it be the Board of Internal Economy or whoever and that that would be the maximum the committee could pursue. In another kind of parliament, with a majority situation, it might be that the committee would want to curtail severely the activities of the office by means of control of the purse strings. That to me seems possible and something which I don't think we should encourage.

[4:00]

I think that at this time, while it may take some effort, it is very important that all the questions to which Mr. Drea's motion addresses itself, all of those questions need to be considered.

But at the same time, the motion will kind of defeat itself if we pass it now and find that, indeed, we have frustrated the operation of that office. I know it's not possible to amend it; I don't know just how we deal with that kind of situation.

Perhaps Mr. Deans is correct in saying that we go ahead, put forward the estimates as they are, and in the meantime the committee will make some recommendation to the Legislature as to how it sees this kind of thing being handled in the future.

Right now we will have difficulty trying to deal with the immediate fact of approving the estimates for this particular organization, and at the same time trying to debate the philosophy of how we should control it in future. That is where we are at some difficulty. If we are going to solve one of the problems, let's address ourselves to that problem and make sure that the other one does not slip into oblivion somewhere.

I think we could proceed with the estimates, and at the same time give direction to the Legislature to strike a committee to rectify the situation of to whom the Ombudsman reports and where the estimates go.

**Mr. Chairman:** I have the following speakers: Mr. Ruston, Mr. Peterson, Mr. Singer and Mr. Norton.

**Mr. Ruston:** Mr. Chairman, just briefly, I have been concerned in regards as to how this was to operate. I wasn't in the House on Friday, but I was reading in the paper Saturday morning about the estimates being before the justice committee. I guess I am not being very alert about parliamentary bills and procedures, but it appears to me that the Ombudsman's bill says, I think in section 8, that the Lieutenant Governor in Council shall approve expenditures.

It seems to me this is a completely new system that we are in now and I don't think that this is where it should be. I think, personally, it should be a committee of the Legislature, in the House, when these estimates come up. I think this is a whole new system; he's outside of the Lieutenant Governor in Council. I think he should be strictly in the hands of the Legislature itself because he is operating independently, and he should operate independently.

I was just going through some of the remarks that the Ombudsman made here on Friday. I recall that you mentioned one of my statements, that I was concerned about the size of your staff that you had set up and I was afraid the personal touch would be lost.

Not knowing you myself, sir, but having read about you and heard of you in the Legislature, you are a person of great ability and integrity. I would have hoped in the position you are taking that you wouldn't have to have such an enormous staff, because I was looking at the personal things that perhaps you could do that other people couldn't do.

I know many of the complaints you receive must be frivolous. I'm sure they are, because I know of some people in my area who have contacted you about things when they haven't even started to use the usual procedures they should go through in order to obtain their rights—such as, well, council passing bylaws which have to go before the Ontario Municipal Board before they're approved. That is one thing I stress to many people when they contact me on municipal issues. They have many rights and they can appear before the Ontario Municipal Board, which in my opinion in most cases gives them a very good hearing.

My understanding of your position is you wouldn't come into the picture until all legal avenues had been explored or appeals made;



then you could step in to see that their rights had not been taken away.

So I am very concerned with this. I think the procedure should have been—of course, this is hindsight—but there should have been some direction in the bill, I suppose, that these estimates should come before the committee in the Legislature itself where all members would have an opportunity to speak on it if they so desired. I have always been concerned about the size of it and the budget and I am still very much concerned about it, I must admit, because I think we may get away from the intent of the original job we thought you would be doing.

**Mr. Peterson:** Briefly, Mr. Chairman, I find myself strongly agreeing with Frank Drea on this point. We are in the process, I believe, of setting some kind of a precedent and I am very reluctant to do something which is incorrect. I am very reluctant to take Mr. Deans' suggestion of taking it to the House with the suggestion that increased funds could be provided. It's going to be a question then of in whose judgement and what apparatus will handle that.

It seems to me that we have an obligation now. There are probably mistakes in the drafting of the Act; that's the way it looks to me. I think we should take that back to the House with dispatch and try to clean this thing up once and for all. I think the only proper body to deal with that is the Legislature, this House. I think we should move quickly and do it. It isn't the first time something was left out of a bill; that's what amendments are all about.

I am very reluctant to make a mistake. I am reluctant to impair the independence of the Ombudsman. He is responsible to no one but the Legislature and I think we have to guarantee that. There is no question that these matters have to be gone into and debated in a non-partisan, all-party way.

I feel very strongly that we would be making a mistake to deal with this now. I think it will show the House the seriousness of this committee if we do take it back without dealing with it, saying we need instructions, clarifications and probably an amendment.

**Mr. Deans:** On a point of information, if I may, Mr. Chairman. I wasn't under the impression that your letter was to the House.

**Mr. Chairman:** No, the letter is to the Attorney General (Mr. McMurtry).

**Mr. Deans:** That is why I said it had to be dealt with differently.

**Mr. Peterson:** I haven't seen the letter but I—

**Mr. Chairman:** It was here to be looked at.

**Mr. Peterson:** We are going to get—this involves a legal opinion from the Attorney General.

**Mr. Deans:** That's right. I said that.

**Mr. Chairman:** Let's be clear what we are doing here. Mr. Drea's motion, as I understand it, is that the proceedings of this body be staved pending the receipt of clarification from the law officer of the Crown. There is nothing about a reference to the House.

**Mr. Peterson:** Then we are going to be—the difficulty of the position still bothers me—dependent on the Attorney General's opinion. I think it may have to be referred back to the House.

Here we have the Attorney General interpreting certain laws passed in a non-partisan way; everybody was involved in this whole decision—I wasn't here at the time—but it was done with good spirits and good intention and it seems to me there was a hole left in it. I'm certainly willing to wait a day or two for the Attorney General to report but it may not be satisfactory. We may have to go one step further than that and take it back to the House.

There are lots of political things which have come along in this Ombudsman's job. Everyone has a lot more perspective now than he had six months ago; probably some wiser decisions could be made. I am willing to support the motion, and pending that perhaps make another determination. Does that satisfy the member for Scarborough Centre (Mr. Drea)?

**Mr. Singer:** Mr. Chairman, I am not willing to support the motion. I lean much more closely to what Mr. Deans has been saying. I don't think we have nearly the difficulty that people seem to think we have. Look at this rule 86. It says:

Any bill, resolution, motion or address the passage of which would impose a tax or specifically address the allocation of public funds may not be passed by the House unless recommended by a message from the Lieutenant Governor and may only be proposed by a minister of the Crown.

There is no way that anything dealing with the Ombudsman can be proposed by a minister of the Crown. Therefore, there is no way, I suggest to you, that rule 86 can apply to these estimates.



There is no minister of the Crown who intervenes in this matter. There is no minister of the Crown who proposes anything in this matter. Therefore, rule 86 does not apply. Therefore, I would suggest that you can put the rule book away insofar as dealing with this matter is concerned because it can't be complied with.

The Legislature by its statute has said that. It cannot be complied with; rule 86 doesn't apply. What do we do? You go back to section 8.

"Subject to the approval of the Lieutenant Governor in Council the Ombudsman may employ such officers or other employees."

We have been constituted as a committee of the House. I think we have a responsibility and a clear duty to look at whatever is put before us, not by a minister of the Crown because there isn't one, but by the Ombudsman and, in our wisdom, come to a conclusion that we like \$2.3 million or \$3.2 million or \$9.8 million, or whatever it is, and then report to the Lieutenant Governor in Council directly. I think that's it. I don't think anything is going to be gained by getting an opinion of the law officers of the Crown. I'm not even sure, I was going to say for a moment, that it's perhaps a little better than the opinion of the committee. I'm not sure that it is a little better than the opinion of the committee. There are enough people around here who have their own opinions, which probably are as good as the opinion of the law officers of the Crown.

I read the wording here very simply. If you're going to propose to have a minister who can propose something then you're flying in the teeth of this statute. It would be my suggestion then that perhaps Mr. Drea would withdraw his motion. Let the committee consider the figure that is before us and let the committee, in its wisdom or lack thereof, approve of Mr. Maloney's figure, somebody else's figure, or any figure at all. Let the committee then in the normal way bring its report to the Lieutenant Governor in Council, as this statute says. I think it's just as simple as that and I don't think we need to worry about the provisions of these rules because these rules can't apply because it talks about a minister of the Crown and the statute has taken it out.

**Mr. Chairman:** Thank you very much, Mr. Singer. It's a most interesting suggestion.

**Mr. Norton:** My comments will be very brief. I think this is probably the closest thing to a constitutional crisis that certainly I have encountered in my limited experience

in the Legislature, and I think it ought to be viewed as just that serious.

**Mr. Singer:** We haven't got a Supreme Court.

**Mr. Norton:** One thing that concerns me very much is the question of urgency. In view of the schedule of the House and the point at which we stand in this session, whatever is done has to be done as quickly as possible.

There are two or three things that concern me. One is that I am not yet convinced that we have the estimates of the Ombudsman before us. I question the information that is before us in what purports to be the estimates, because it would appear from the information this committee has received that what we have is a figure recommended by a committee that acknowledges that it doesn't have jurisdiction to deal with the matter. How that can constitute the estimates of the Ombudsman is certainly beyond my limited legal comprehension. If that's the case, then I'm not sure what it is we have before us.

**Mr. Singer:** We have the Ombudsman with some figures.

**Mr. Norton:** The other thing that concerns me is that we are told as a committee, that if we work with the figures that are before us we have no jurisdiction to recommend anything in excess of those figures at this point.

It strikes me that the only way to resolve this—and I'm not sure whether this is open to the Chairman or not—is at the first opportunity to return to the Legislature and seek direction on the matter so that the question of the authority of either this committee or some other committee can quickly be established and the estimates of the Ombudsman are no longer delayed.

Personally, I can see no basis for regarding this \$2.3-million figure as bearing any relationship to the estimates of the Ombudsman since the committee that has recommended that figure acknowledges that it had no jurisdiction to do that. In Mr. Drea's motion I think I would agree with the first part. I can't see our spending the next day or so dealing with something when we may not have the jurisdiction to do it. I guess this figure was referred to us by the House, was it not?

I would move an amendment to Mr. Drea's motion. If I recall his wording, it ended: "until upon receipt of the opinion from the Attorney General." I would move the addition of the words: "and the direction of the Legislature."



[4:15]

Mr. Drea: Okay.

Mr. Chairman: Thank you, Mr. Norton.

Mr. Norton: Do I have a seconder?

Mr. Chairman: Mr. Norton just moved an amendment to Mr. Drea's motion. Is there someone to second that amendment?

Mr. Norton: I am simply amending it by adding to the wording of the motion: "and the direction of the Legislature." The Attorney General can give us a valid opinion, but I'm not sure that's going to resolve the matter. I would not want to see us wait for two days to get an opinion that we may then not be able to act upon either.

Mr. Peterson: I think Mr. Singer's point is probably right. His legal opinion, or somebody's legal opinion here, is worth as much as the Attorney General's.

Mr. Chairman: Mr. Peterson, we have a list of speakers. Ms. Sandeman is next.

Mr. Peterson: I'm sorry about that, Mr. Chairman.

Ms. Sandeman: Mr. Chairman, the problem that I see here is the same as the one Mr. Norton has just outlined; that the estimates we have before us are, in some sense, spurious or illegitimate estimates which we haven't yet even begun to discuss.

The point I would like to make very briefly is that it disturbs me that we have a room full of people who have been waiting patiently all Friday morning, and probably will be waiting all Monday afternoon. There is also the urgency Mr. Norton mentioned in connection with the schedules of the House, which are now becoming rather pressured.

I think we have to take into account the urgency of the business of the Ombudsman's office. If we give any credence at all to the things that the members said when the Ombudsman's office was set up, about the importance of the work of the office, it seems to me to be fairly disastrous to keep these people away from that work for so long.

I just urge that whatever we do, we do it with expedition. We should probably call the question on this vote very soon so that if we do decide to stay the business of the committee, then the Ombudsman and his staff can get back to work. And if we're not going to stay the business of the committee, we can then get away from the jurisdictional hassles and start discussing the programmes

of the Ombudsman's office. I don't pretend to be able to give any kind of legal opinion.

There is a question I would like Mr. Norton to throw some light on, in view of the amendment he has just brought in. He asked for us to wait for the opinion of the Attorney General and the direction of the Legislature. If these two should be in total contradiction to each other, which takes precedence?

Mr. Norton: The Legislature.

Ms. Sandeman: In that case you would probably not even want to look at the opinion of the Attorney General.

Mr. Norton: No.

Mr. Drea: Except that the Chairman asked for it.

Ms. Sandeman: Except that he asked for it, yes.

In brief, I guess my concern is that we be brief and either adjourn and await all these legal decisions or get on with our business.

Mr. Chairman: Thank you very much, Ms. Sandeman. All the members of the committee who want to speak are given the opportunity to speak. I will not call the question until people have expressed their opinions. The next on the line is Mr. Deans.

Mr. Deans: I want to know two things. First of all, can you just tell me exactly what it is you're asking the Attorney General? What exactly is it he is being asked for?

Mr. Chairman: I'll read you the letter:

Through me, as chairman of the justice committee, on Friday morning when the Ombudsman's estimates came on, a question was raised: Was it the mandate or jurisdiction of this standing committee to increase his estimates?

I take it you know the history of the presentation of the Ombudsman's estimates during the past period of time, and I believe that it is the acknowledgement of the Board of Internal Economy that it had no jurisdiction, nor do I believe in this context does the Management Board. It was determined by the government then to refer these estimates out to a justice committee.

In the very unique context of these particular estimates, the Ombudsman's office being the only entity or agency directly related to the Legislature, it was felt by



many of us that we could, in committee, reach and set a just figure for this fiscal year. But it has been pointed out by the Hon. Robert Welch, acting as House leader, that rule 86 of the Standing Orders governs the situation and there is no alteration of this in the reference to the administration of justice committee in the votes and proceedings of Wednesday, April 14, 1976.

The Hon. Robert Welch spoke to the committee on Friday morning as to the lack of any extant machinery to review these estimates and to alter them in an upward direction, and asked me to request the law officers of the Crown to review the situation and by Wednesday, June 9, to reach a decision as to what the powers and functions of the justice committee are or conceivably could be in respect to these estimates so the committee would know precisely where it stood.

May I ask that this be done before the committee comes into session on Wednesday? It is an extremely important matter from the point of the view of the work of the justice committee and I would ask for your swift attention to this matter.

Any further comments?

**Mr. Deans:** Only one. With regard to the comments of Mr. Singer, I think what he's saying should be correct, though I'm not positive it's absolutely right. I think by virtue of the fact that the estimates are tabled by a minister for consideration they are properly before the House at \$2.3 million, correctly or incorrectly. How the \$2.3 million figure is arrived at is a matter for debate.

I think that because a minister of the Crown tabled that estimate figure and asked that that estimate figure be considered by the House and the House in its wisdom then said it should be considered by the justice committee, it is as properly before you as any other figure would have been. That's not a legal opinion; that's a firefighter's opinion. Nevertheless, it is based on what I understand of the rules.

I think, though, you would be wise since there's such a major question—this doesn't only touch the Ombudsman's estimates. If it's decided by the chief law officer of the Crown that a committee has the right to vary estimates it will be a departure from—

**Mr. Kennedy:** It can't.

**Mr. Deans:** —it can't—it will be a departure from every tradition of every parliament I'm aware of. I can think of no way in which the

chief law officer of the Crown could come to that decision, based on precedent or based on rule.

The fact of the matter is that the committee you serve on may recommend whatever it pleases. It may choose to deal or not to deal; it may approve or disapprove; but it can't alter. No committee can. This committee is no different from any other and it would require a change in the rules of the Legislature for that to be made other than as it is now.

The other problem is there isn't a vehicle to get the Ombudsman's estimates from his office into the book and that's what the Board of Internal Economy did. There is no vehicle at this point in time for the Ombudsman to get his estimates from his own office into the printed volume so that it can be properly placed before the Legislature for its perusal.

That's the question you have to address to the Crown if you want any question answered. How does the Ombudsman get the moneys he believes he needs in the printed book of the estimates in order that they may be properly tabled and therefore up for consideration by the Legislature?

That's the question we were faced with. We decided that rather than give him nothing it was better to give him something and all we could justify at that point in time is what we did.

**Mr. Chairman:** With the indulgence of the committee, the Chairman wants to make a statement at this particular point to wind up.

I'm opposed to Frank Drea's motion. I think we should proceed with these estimates. I think the lines of force are pretty clear as to what is happening in this particular situation. The advice of the law officer of the Crown, I think, can be anticipated, if I may say so, as being that we have no authority. If that were the case we would have to report back to the House and I suppose it would again be referred back to the law officer of the Crown for him to tell us the same thing all over again.

Whatever may happen in the House the fact is we have these estimates before us. We are seized of them. They've been directed to us by the order of April 14. All right, let's take the bull by the horns. Let's do the estimates. I'm not saying that the Ombudsman is entitled to \$3.2 million. I think our job is to arrive at a just estimate of what he is entitled to.

It's a somewhat extraordinary procedure from that point of view because we are going to have—then we report back to the House.



Then we tell the House—I'm told it can be done mostly by way of petition or suggestion or something like that—that we recommend a certain policy, namely that a certain figure be allocated to the Ombudsman for this year. We place it directly in the hands of the government; it's its responsibility. If this committee, I would trust, could unanimously come to a position of that kind, then we have performed our function and carried out our mandate as I see it at the present time. All the rest is delay.

The Ombudsman's office probably has a very vital need of money. Many people are sitting on tenterhooks. He has gone forward under what he considered a sovereign mandate to discharge the functions of his office and has presented very elaborate figures for us to look at here today. I don't think all this messing around is going to do us any bit of good at all. We will be back here on Wednesday pretty much in the same condition as we have ever been or worse. We'll abide by what the law officers have to say about the matter but I suggest to the committee that we proceed.

**Mr. Singer:** Mr. Chairman.

**Mr. Chairman:** I am sorry, Mr. Singer. The next speaker on my list was Mr. Peterson.

**Mr. Peterson:** Just briefly, I think it is quite patently obvious that we are dealing with an absolutely totally unique animal in the Ombudsman. What do you call that funny animal?

**Mr. Norton:** Griffin.

**Mr. Peterson:** Griffin. We've never seen one before.

**Mr. Maloney:** He is a household pet.

**Mr. Peterson:** For you. I think that we have an obligation to clear this up and, when we look down the road, to protect the integrity of the Ombudsman and to protect his own position. I think he is right and I don't think his view as stated is an alarmist one. If we unilaterally take that authority without clearing up the channel and the proper way to do this thing, we will probably substantially regret it in the future. I think we should stay it and get it cleaned up. My own opinion is it will probably require a change in the Act. It was probably a bad piece of drafting. This just wasn't anticipated. We are going to have to get the Legislature's authority to do that but it will be cleaned up once and for all. Then we don't have to go through it

again and the Ombudsman doesn't have to go through it.

**Mr. Reed:** I just have two basic concerns here and I am going to speak in support of Mr. Drea's motion as Mr. Norton changed it. My concern is that I believe that this situation is unique. We haven't been faced with it under any circumstances before, although I must be the first to admit that when it comes to giving legal opinions or thinking about legal opinions I don't rank with the firefighters—

**Mr. Deans:** That's true.

**Mr. Reed:** —and don't pretend to, but I do express this concern that the channels be set up. We are in a precedent-setting state, Parliament is supreme. I think that's the reason why we must do what we are doing. I am also concerned too about the immediate problem of the Ombudsman. I stand to be corrected on this, but I do express the fear that if we are to accept the estimates of \$2.3 million, which may be insufficient or may not be—that remains to be seen—what we may be doing is curtailing the need for the approval of a larger amount. If I might just take the liberty of saying it, I do believe that the office of the Ombudsman is incredibly important. There are some jurisdictional problems which will have to be sorted out in the months to come concerning limitations currently imposed upon the office but I would not like to see that office weakened or jeopardized at this particular time. It's in its infancy and we have to recognize that fact and give it that kind of support.

[4:30]

**Mr. Singer:** Mr. Chairman, I incline very much to your suggestion. I think we are not biting the bullet at all if we keep on referring this thing back for additional opinions nor are we usurping anybody's authority. We are here as a committee of the House, and the kind of resolution I would envisage coming up with is: This committee, having considered the estimates of the Ombudsman, recommends that he be allowed the sum of X dollars for the next fiscal year, and recommends to the House that this be adopted by the House and referred to the Lieutenant Governor in Council as set out in section 8 of the statute.

I think that's done the job, Mr. Chairman. If we do that, we are not usurping anybody's authority. We go back to the House, and if the House doesn't like it, the House can do whatever it wants with it. We were charged



with a responsibility by the House. I think we can ignore the \$2.3 million figure because it was not put in in the sense that other estimates are put in by a minister.

We have the estimates here before us, we have the Ombudsman here before us; let's deal with the figures item by item and see what kind of a decision the committee comes to. After all, this is an all-party committee. It is as democratic a committee as the House can appoint, it has representatives from all parties on it, and it can't act by itself.

We are not unilaterally raiding the Treasury and giving our good friend, Arthur Maloney, \$1,900 million to do with as he likes. We are going to look at his figures item by item and say, "Yes, this is a good figure," or "No, it's a bad figure." Then we are going to pass a resolution, in some form, and say to the Legislature, "Here's the figure that this committee, in its wisdom or lack of it, recommends. We suggest that the House adopt it and send it on in accordance with the provisions of section 8 to the Lieutenant Governor in Council. I think then we will have done our job.

If we get an opinion, I don't know what the opinion is going to say. I don't think it matters much what the opinion is going to say. If the Attorney General says, "You can't raise it; you can't alter it; you can't lower it; you can't change it," then we will be back here trying to figure it out. We are suddenly going to have to put through, between now and June 18, some great amendment to the statute. We are not going to get it done.

Who are we fooling and why are we so frightened about a committee, having been properly constituted, doing its job and considering the figures that are here and reporting back to the Legislature from which all power flows? If the Legislature doesn't like it, it will tell us, and if it does like it, it will pass it and refer it on in accordance with a statute that has already been passed—section 8—to the Lieutenant Governor in Council.

I think that's the simplest way, the fairest way, and the democratic way. That's why I lean very strongly to what you have been suggesting, Mr. Chairman.

**Mr. Drea:** Mr. Chairman, I consider your position to be the most dangerous of all because you are turning the office into something that is entirely dependent upon the political whim of the government. When you send it back to the Lieutenant Governor in Council you are asking the government—the "big-G" government; not the all-party gov-

ernment, the government of the party in power—to set the amount. That was never intended.

That, as I say, is the most frightening part of all because surely this entire office is to ride herd on the government. By sending it back and by saying, "Let the Lieutenant Governor in Council..." or "Let the government..." it's in their ball park. You have just had the very people who are supposed to be watched, deciding how thoroughly, how completely and if at all they will be watched.

It seems to me the logical instrument by which the estimates of this office go before a committee—and I agree that somewhere they have to go before a committee—I suggest to you when they reach the final committee stage or at least the one we are at now, it should really be a very cursory examination. It seems to me that the proper vehicle is a non-partisan one—a select committee of the House that sits with the Ombudsman, that considers his estimates and then brings forward a recommendation.

In this particular case, despite the fact that committee was around, nonetheless the estimates of the Ombudsman apparently were very hastily put before the Office of Internal Economy. In the words of Mr. Deans, they only had really a day to consider and the alternative was to leave him bankrupt.

It's my understanding, Mr. Chairman—and I may be wrong, but it's my understanding—that \$2.3 million is not the recommendation of the Office of Internal Economy; that that original recommendation was somewhat less than that. It was \$2.1 million. These estimates went further; these estimates went to Management Board and the \$2.3 million figure was put on paper. I think I am correct on that.

All right; I suppose if you want to get into the matter of cabinet minister responsibility, surely the Chairman of Management Board (Mr. Auld) is a cabinet minister, and you are getting perilously close to government control of the finances of the Office of the Ombudsman.

Now if you were to proceed and to say no opinion is needed; all right, we come up with the \$2.3 million or we make a recommendation. Let's pursue it a little bit further. Let's say we make the recommendation. This is what concerns me: The recommendation goes to government and here is where the whole, very artificial structure begins to collapse. The difficulty is that this \$2.3 million got here by government. Management Board is not an all-party committee. Man-



agement Board has no other political representation upon it other than the government. It may have people from the outside, but certainly not of any other political persuasion.

I would suggest to you that this office has already been substantially damaged. I don't think you can read a newspaper story that suggests that the Ombudsman is around twisting arms in a political manner without starting to cast some doubt by people upon the purity of the office or what it was intended for. I would think a reasonable person reading that would suddenly begin to understand that at this particular moment in time this office has distintegrated into a political office and it is a search for funds.

I don't want to discuss the merits of the particular words that were used—the pressure, arm twisting, or whatever they were; I don't want to get into the merits of them. What I do want to say is the impression has been conveyed that this is a political office, just like any other one. If you need money you go out in a political way—and that's very respectable—but you do it in a political way. You talk to people or you put some pressure on them. You bring them some new evidence or what have you.

When I raised the motion today—and I must say I have no objections to Mr. Norton's amendment; nor did I have to Mrs. Campbell's, and his is virtually the same as hers. It seems to me the faster we get this back into the Legislature, that is really the only way we are going to bring this office back to the original concept.

You cannot tell me that in a select committee of the Legislature, if the opinion is as everyone seems to think it is—and if it's that way why was the letter ever sent—it is just a matter of putting down on the bottom, "Yes, I agree." The faster it gets back there, then a select committee can be struck; and a select committee can meet just as rapidly as this one. If, as Mr. Peterson says, an amendment is required—I'm not altogether sure it is; but I'm not altogether sure it isn't either, maybe there is a mechanical vehicle by which we can straighten things out—the faster that is done the better it is for this office.

The other thing I would like to say is I think my colleague, the member for Peterborough (Ms. Sandeman) raised a most important consideration. That is, since everyone seems to agree this office is so necessary, we've now spent a morning and an afternoon with a sizable number of people tied up. I'm not suggesting they feel that way; obviously it is their duty to appear before their mentors. But surely, in terms of the importance,

in terms of the work that is being done, they don't need to be here.

I suggest to you that to go forward with the \$2.3 million is to confirm for once and for all that the government has the right to take a look at the proposed estimates of the Ombudsman, and then to choose its own vehicle to get them before a committee. You and Mr. Singer, are certainly solicitors of some renown and as you say this goes forward and all we can do is make suggestions or recommendations to the government.

I suggest to you this is not the concept of the Ombudsman which was debated in the last session. It is not the concept of the implementation of the office which was envisaged by a select committee not too many months ago. I find it very interesting that people who were on the select committee now seem to think everything can go ahead in a standing committee. They weren't any too sure a brief while ago.

That is why I moved the motion that we stay this. That is why I also support the concept that at least once the opinion is rendered we know which road we have to take. We can either come back here and go for the \$2.3 million or we can do what I would think would be more proper, and go to the Legislature.

It seems to be the idea around here that the Legislature can't function unless it has a month or two. I've seen the Legislature function very quickly when it realizes the importance and the urgency of something.

Mr. Chairman: Thank you very much. Mr. Kennedy and then Mr. Singer.

Mr. Kennedy: Mr. Chairman, I lean toward your résumé of the situation. I would certainly like to hear from the law officers of the Crown. In my practical view of this thing, we have, as I mentioned before but I won't repeat it, this \$2.3 million before us. As I understand it we can deal with that; anything further—and this is subject to the interpretation I would hope to get from the law officers of the Crown—is subject to an amendment either to the Legislative Assembly Act or the Ombudsman Act.

In the meantime, I don't agree with my colleague, Mr. Singer. I do understand that the estimates are properly before us, having come from one of the ministers of the Crown. It seems to me that if \$3.2 million is the full need for a fiscal year, \$2.3 million should surely last until we can deal with this in a more orderly less hurried fashion.



If we need a legislative change, to get that legislation through to continue, presumably, to legalize—if that's the proper term—the Board of Internal Economy as the vehicle which would review these estimates, would mean that the current items listed, which total \$3.2 million I presume, would need to go back to the Board of Internal Economy and start all over again. How would we complete all this by June 18? I suppose anything is possible but for these reasons, which seem to be feasible and practical to me, I suggest we can deal with this with an appropriate recommendation hooked on.

**Mr. Singer:** Mr. Chairman, I think in our haste to discuss this within the terms of reference we set for ourselves, we overlooked a very important provision in the Act—all of us. It was pointed out to me that section 10 might have a real bearing on what we're discussing. Section 10 says:

The salary of the Ombudsman and the expenses required for the operation of his office are payable until March 31, 1976, out of the consolidated revenue fund and thereafter out of the moneys appropriated therefor by the Legislature.

It doesn't say anything about the Lieutenant Governor in Council. It doesn't say anything about anybody. Therefore, it would seem to me—let's go back to where we are—taking into consideration section 10, this being a committee of the Legislature, we can recommend to the Legislature that it appropriate any sum it wants, appropriately, under the provisions of section 10. What could be more clear?

I grant some of our discussions a little earlier, perhaps even mine, weren't that clear but section 10 is, perhaps, a brand new consideration. It says, "Out of the moneys appropriated by the Legislature."

We are a committee of the Legislature. We can look at it and we can go to the Legislature and say, "The committee recommends . . . now let us ask the Legislature to appropriate it." Legislatures often perform by committees; this Legislature particularly performs frequently by committee.

We're looking for a specific authority and, without an opinion, there it is—"appropriated by the Legislature." Let us recommend to the Legislature that it appropriate X dollars and then duly consider what the X dollars should be. It's very simple and very logical and in accordance with the provisions of the Act.

[4:45]

**Mr. Chairman:** Yes, I underlined that in red too, Mr. Singer. Mr. Norton has some comment.

**Mr. Norton:** I'll be very brief again, Mr. Chairman. The thing I think Mr. Singer might be overlooking, or the thing that concerns me—perhaps I'd best put it that way—is that there is also a rule of that same Legislature which raises a question as to whether we can recommend something other than what is presently before us. I've already raised the question that rests in my mind with regard to the validity of the figures that are before us.

The thing that concerns me goes beyond our finding some expedient way at the moment to resolve this. However it happened, it seems to me very fortunate that there was not, prior to this time, some clear procedure set down for getting the estimates of the Ombudsman before the House. What has happened, as I mentioned earlier, is that what apparently set out originally as the Ombudsman's estimates have been varied at least twice before getting to this committee, and there is a very serious question whether we, as a committee of the Legislature, can operate outside the standing rules of that Legislature.

That is why I think the only way to resolve the matter is immediately to go back to the House for some direction. It's fine for us to say we're a committee of the Legislature and we can, under this Act, take to the Legislature the estimates. But I'm not sure that we can do it outside the rules, and I want that clarified. It's important in terms of the long-term operation of the Office of the Ombudsman that no government or no body outside the Legislature to which his office is responsible vary those estimates. It strikes me as being fundamentally important to the independence of the Ombudsman that there be some vehicle for getting his estimates before the House as directly and as quickly as possible, and that the House and only the House alter those estimates.

I'm not sure that under the standing rules at the present time the machinery for doing that exists. If it is the wish of the House that it continue to exercise its supremacy, then I think the only way we can do it with full respect to the authority of the House is to go back to it immediately.

**Mr. Singer:** What would you ask the House for, Mr. Norton?

**Mr. Norton:** For direction.



**Mr. Singer:** You just go back and say the committee moves that you give us direction, and then we sit down.

**Mr. Peterson:** No. We ask that the appropriate mechanism to get the estimates of the Ombudsman before the House and who recommends it and what be set up.

**Mr. Chairman:** We're going to come back to that for the clarification—I have it noted here—as to precisely what that means before we vote on this matter. Mr. Renwick is next.

**Mr. Renwick:** Mr. Chairman, I would like to suggest that we not get involved in returning to the House on the matter. It seems to me that the question is, as usual, extremely clear.

**Mr. Bullbrook:** It's the answer that's difficult.

**Mr. Renwick:** The British North America Act, which is the constitution of the country, provides in section 54:

It shall not be lawful for the House of Commons to adopt or pass any vote, resolution, address or bill for the appropriation of any part of the public revenue or of any tax or impost to any purpose that has not been first recommended to that House by message of the Governor General in the session in which such vote, resolution, address or bill is proposed.

Section 90 provides that:

The following provisions of this Act respecting the Parliament of Canada, namely, the provisions relating to appropriation and tax bills, the recommendation of money votes [and so on], shall extend and apply to the Legislatures of the several provinces as if those provisions were here re-enacted and made applicable in terms to the respective provinces and the Legislatures thereof with the substitution of the Lieutenant Governor of the province for the Governor General.

The provisions we have in our standing orders, which is section 86, is in a sense a minor paraphrase. I have never ever understood why it was paraphrased and I've asked on one or two occasions why that paraphrasing took place. It says:

Any bill, resolution, motion or address, the passage of which would impose a tax or specifically direct the allocation of public funds, may not be passed by the House unless recommended by a message from the Lieutenant Governor, and may only be proposed by a minister of the Crown.

What I'm simply saying is that it is not a question of the rules of the House and that we could, in some way, dispense with them. It is a question of the basic constitutional form of government that we presently have. There is no question whatsoever that the only way in which we can appropriate funds is by the address of the Lieutenant Governor. It's true that this says it may be proposed by a minister of the Crown but, in fact, when the bill is put through it's an address of the Lieutenant Governor to the assembly that is the key operation involved.

I haven't had the benefit of the previous discussion, but it seems to me to be very clear that the traditional language to which the member for Wilson Heights has referred, about "appropriated by the Legislature as provided in section 10 of the bill," is common language. It's used at all times. It doesn't matter whether it's the Ombudsman or whether it is anyone else.

So what I'm saying in substance to the committee is that we could waste as much time as we want. We can ask for as many opinions as we want. But the problem is related to the constitution of the country and I don't think even this committee, let alone the Legislature, can reverse that provision of the British North America Act, since nobody yet has solved the problem of mending that British North America Act in any real sense.

I think this committee can pass whatever resolution it wants. It would be inadvisable for it to pass a resolution that was illegal or of no effect, or invalid as a matter of law, but should it so desire, it can certainly pass a resolution indicating quite clearly that having considered, on the direction of the assembly, the estimates of the Office of the Ombudsman for the first time, and recognizing that the matters dealing with any change by way of increase in the amount as referred to this standing committee can only be dealt with by address of the Lieutenant Governor or by the government bringing in whatever supplementary estimates it wishes to do so, we express the wish or the desire or the urge that that action be taken. But we cannot, on our own initiative, in any way, initiate it.

While it would be interesting to have whatever opinion may be given, I think the key to the problem lies in the constitution of our system of government. Under section 54 of the British North America Act, as it applies to the province under section 90, is the key to the solution of the problem. We should therefore proceed to decide whether or not it is the wish of the committee, unanimously or otherwise, that a recommendation in that kind of precatory language be put forward to



the ministry or to the appropriate minister, if there is an appropriate minister, or to the ministry, as is probably the appropriate way of dealing with it.

**Mr. Chairman:** I have no further speakers. I have a motion before me. I would like a little clarification before I put the motion. I understand Mr. Drea has accepted the amendment so I will embody it, if I may, in the motion. With the amendment, it reads as follows, the way I've set it up:

That this committee stay further consideration of these estimates until a ruling from the law officers of the Crown is received and we receive the direction of the Legislature as to the jurisdiction of this committee to alter these estimates.

I think it has to be a little more elaborate than that as to what direction we're really asking for. Are we asking that the matter be taken out of our hands and placed in the assembly itself for debate? We can't ask, if I may, that we be given the power or authority to alter the estimates.

**Mr. Norton:** Mr. Chairman, I wouldn't want to restrict the direction that we might receive from the Legislature or that we might ask for. It might take the form of establishing a procedure which ought to be followed and that may in fact involve setting up an alternative committee immediately to deal with this. There might be the suggestion that in the event there is a problem we make a recommendation, with respect to varying these needs, to the executive committee, if that is necessary, in order to bring it properly before the Legislature under the terms of the constitution that have been pointed out to us.

**Mr. Peterson:** You are just asking for clarification of the method by which the Ombudsman gets his estimates before the House? Isn't that all you are asking? Isn't that the confusion?

**Mr. Norton:** Perhaps the word direction, as I presented it, was too inexplicit.

**Mr. Peterson:** Isn't the essence of this that the Act was unclear and probably has to be

redrafted for this very unique guy in this very unique job?

**Mr. Chairman:** We are most loath, I suspect, to move that extra step, Mr. Peterson, insofar as that would require an amendment to the statute with the loss of time involved in all that. We would find a somewhat easier route, or some other route, to bring about the wish of this committee. Then we want to test it, and I think that is as far as we can go.

**Mr. Singer:** Mr. Chairman, you have a motion before you. Could I ask you on a point of order how many people here are entitled to vote on this motion?

**Clerk of the Committee:** Mr. Breaugh; Mr. Drea; Mr. Gregory; Mr. Kennedy is not here; Mr. Lawlor; Mr. Moffatt; Mr. Norton; Mr. Peterson, who is substituting for Mr. Roy; Ms. Sandeman and Mr. Singer. Mr. Stong isn't here.

**Mr. Reed:** I'm substituting for Mr. Stong.

**Clerk of the Committee:** Actually you have been substituting for Mr. Stong all the time, haven't you, because you have been the critic on the estimates? I'm sorry about that.

**Mr. Chairman:** One thing, then, before I put the motion, may I expand it to include the words, after "and the direction of the Legislature, to establish the procedure that ought to be followed"? Something like that?

**Mr. Norton:** I would be quite happy to accept that.

**Mr. Chairman:** Do you want me to read the motion again?

The motion before us is to stay our proceedings and to go back to the House.

All in favour of that motion?

Opposed?

Motion agreed to.

**Mr. Chairman:** We will then stay these proceedings and go to the House.

The committee adjourned at 5 p.m.



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# Legislature of Ontario Debates

**SUPPLY COMMITTEE—1**  
**ESTIMATES, MINISTRY OF**  
**TRANSPORTATION AND**  
**COMMUNICATIONS**

OFFICIAL REPORT — DAILY EDITION  
Third Session of the 30th Parliament

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**Monday, June 7, 1976**

Afternoon Session

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Speaker: Honourable Russell Daniel Rowe  
Clerk: Roderick Lewis, QC

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## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

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MONDAY, JUNE 7, 1976

The committee met at 3:15 p.m. in committee room No. 1.

#### ESTIMATES, MINISTRY OF TRANSPORTATION AND COMMUNICATIONS (continued)

On vote 2405:

**Mr. Deputy Chairman:** We have a quorum now. The minister would like to deal with this item by item. Vote 2405, item 1, and we have four speakers already. We start with Mr. Bain. Do you wish to speak, too?

**Mr. Wildman:** Mr. Chairman, Mr. Bain would like to speak to item 2. I think Ms. Bryden would like to deal with item 1, if that's possible.

**Mr. Bain:** If I could just ask the Chairman, last week I was under the impression that when officials from the ONTC were down here we would deal with those items all together. If we are going to deal with 2405, item 1, the ONR isn't under that item, so are we going to be splitting it all up or are we going to deal with it as a package as we were supposed to do?

**Hon. Mr. Snow:** It is my understanding that we were to deal with votes 2405 and 2406. We completed 2401 on Friday and we were to leave votes 2202, 2203 and 2204, I guess it is, so that we could start on 2405 and 2406 today when we have the appropriate people here.

**Mr. Bain:** The ONTC is in vote 2409 as well, so we are going to end up spreading it out over quite a period of time unless we deal with the ONTC this afternoon together as a unit.

**Hon. Mr. Snow:** There is one section under 2409, too.

**Mr. R. S. Smith:** It comes under three separate votes, and those people might be sitting here for months. You might as well

deal with all of them, each section in those three votes.

**Mr. Philip:** We must have respect for those people that have come down.

**Mr. R. S. Smith:** Do you mind waiting until I have finished?

**Mr. Bain:** He was just supporting you.

**Mr. Philip:** I was.

**Hon. Mr. Snow:** You don't want to deal with a vote? Is that what I understand?

**Mr. R. S. Smith:** What I am suggesting to you is that we deal with all the ONR portions of those three votes and get it over with.

**Mr. Bain:** That was the understanding we had last week.

**Mr. Deputy Chairman:** Okay, that's 2405, item 2.

**Hon. Mr. Snow:** Right.

**Mr. Deputy Chairman:** Then vote 2406—

**Hon. Mr. Snow:** Item 2.

**Mr. Deputy Chairman:** —item 2, and 2409, item 2.

**Mr. Reid:** What was the first one, Mr. Chairman?

**Mr. Deputy Chairman:** Vote 2405, item 2; 2406, item 2; and 2409, item 2—

**Mr. Bain:** And 3.

**Hon. Mr. Snow:** And 3.

**Mr. Deputy Chairman:** —and 3.

**Mr. Bain:** Are we going to deal with it all as one vote, or each separate item?

**Mr. Deputy Chairman:** We will deal with them all on this one vote.

**Hon. Mr. Snow:** I don't know if you will ever know what—



**Mr. Deputy Chairman:** Well, let's deal with them separately, then, but is that agreeable, that we can deal with these items as indicated? Okay. It's 2405, item 2, and Mr. Bain is first, Mr. R. S. Smith is next, Mr. Wildman, Mr. Eaton, and then Mr. Makarchuk.

**Hon. Mr. Snow:** In this section of the vote, "Operations," it deals with two items, one TATOA and one Ontario Northland. Do you want to leave the TATOA part and just deal with Ontario Northland? Yes? Okay.

**Mr. Bain:** Mr. Chairman, the organizational session that we just had might indicate the ONTC is, in fact, a separate entity and perhaps it could be listed separately in next year's estimates.

For northern Ontario, the ONTC and the ONR, in particular, are especially important. The railway has opened up northeastern Ontario and, in fact, when it was originally built, it was built as a development railway. Unfortunately, today many people feel that the railway is not living up to its original function, its original mandate, and that more is required on the part of the government to undertake this development mission, especially in the area of encouraging secondary industry.

Certainly, the railway does a more than adequate job in providing freight service to get the natural resources out of the north. There is a freight rate that, in fact, encourages the resources to flow south but there is no corresponding freight structure on the part of the railway to encourage secondary industry or to encourage development, and when you consider that ONTC also runs transport facilities as well as air and water, there is a total transportation package, so ONTC certainly could encourage this kind of development.

In recent months, people in northeastern Ontario have been especially disturbed by the number of layoffs that have occurred in the Ontario Northland Railway system, and I might say in a general way, in ONTC as well. This general concern led me to ask the minister in the House on Jan. 16 about this problem, and I am sure that the minister recalls it.

**Hon. Mr. Snow:** January when?

**Mr. Bain:** Jan. 16. That was when we were back for the legislation on the Metro board-teachers dispute. I thought I would do something that would have a bearing on northern Ontario, so I asked you that question.

At that time, I mentioned that 140 jobs were in question and that people had been laid off. We are told that perhaps it was only 99, but nevertheless whatever number one decides upon, there were a number of people being laid off at that time in January. It started in December and it was associated with the dispute between the paper companies and their workers which had led to a strike.

I was very happy to hear the minister say, and I will quote a small section of his reply: "I assure you that I am as anxious, as I am sure the hon. member is, to get this traffic back for the railroad, which I am sure will come about when the other difficulties are solved. It is not a permanent layoff." That was the end of your reply.

As I am sure you can appreciate, an answer like this from yourself was of great significance to the people of northeastern Ontario and your reply to my question was carried on all the news media of the area. Shortly after that, there was a meeting of the general chairmen's association with members of management from the ONTC and this was brought up. Your reassurance was indicated to the general manager. I don't believe you introduced the gentleman from the ONTC. I assume Mr. Clifford is here today.

**Hon. Mr. Snow:** Yes. I just assumed that you would have known Mr. Clifford.

**Mr. Bain:** No, I have met the workers on the railway but I have never met the management.

**Hon. Mr. Snow:** I assure you that he is a very active worker on the railway—perhaps more active than a lot of the ones you have met.

**Mr. Clifford:** Mr. Minister, I met Mr. Bain after a meeting of the commission in New Liskeard, about 1½ years ago I guess.

**Mr. Bain:** I am very sorry that I didn't associate you and recall your name, but I had met you. I assure you that I shall remember you in the future.

**Mr. Reid:** That sounds like a threat.

**Mr. Bain:** No, I was thinking of it in the reverse actually—I am sure he will remember me. The reason for this is that I have got very conflicting statements. I have already mentioned the quote from the minister. Again, I contacted the people who attended this meeting, some of the chairmen, and they indicated to me that at your meet-



ing with them, shortly after Mr. Snow had made his statement, that you told them basically that Mr. Snow did not have the right or the authority to make such an assurance; that in essence he shouldn't have given that kind of an assurance and that those decisions were up to yourself and other management people to make.

This disturbed me very much, considering that the mandate of the ONR and the ONTC is a mandate to operate for the public good and that, as is outlined in the financial statement of the commission that was tabled in the House for 1974, part of the preamble says the commission performs many functions that aren't always financially viable in order to provide this service.

I would simply like to ask you and ask the minister, who does run the ONR? Who makes these assurances? The assurance that the minister gave me was one that the people of the area were extremely happy to hear, and we assumed that his word was enough to put their fears to rest and that we had nothing to worry about in the area of the jobs. We felt those jobs were secure, and here we get a conflicting piece of information.

So who does run the ONR? To whom is management responsible and to whom is the commission responsible? Are they not responsible to the representative of the people of this province—the Minister of Transportation and Communications — and, directly through him, to the provincial parliament?

There are a couple of other items I would like to bring up that deal specifically with cutbacks in specific areas. I am sure you are aware that there were five through-freight crews and two way-freights employed and that these operated in the northeast — one through-freight going to Timmins, one to Cochrane and Kapuskasing and one to Rouyn; and the two-way freights, one originating from Timmins and one from Englehart. There were cutbacks in these areas as well at the time of this strike by the pulp and paper workers and some of these crews have not been restored.

I am wondering, if these crews were present initially to provide a service — and we assume that most of the freight has been restored now that the mills are in operation, or at least the freight will be restored in the near future — if the crews were necessary to provide a service, that service is still being provided and is still in demand, so why aren't the crews there now, or will they be there in the near future?

I am also interested in a management engineering study. I don't know whether they still go by the old time and motion phrase or not, but these are always interesting studies. You have people coming in with clocks and time watches and monitoring what working people are doing to make sure they are not ripping off the company. I find this more than a little objectionable. I am sure the minister has already found that the people who work for the ONR and the ONTC, who work out in the yard, who run the freights, who do the dispatching, who sell the tickets, are an extremely conscientious group of people.

[3:30]

I don't think you will find many groups of workers like that in Ontario who have the same sense of commitment. It's really the old-fashioned idea of people who join a work force early in their life and develop a very strong allegiance to that company. I think it is the kind of thing that is in jeopardy because of some of the insensitive, or perhaps just unthinking, moves that have been taken by management.

Recently, in the last few years, there have been a number of jobs added to management's ranks. A study was to be done by a management consulting firm—I believe it was Gravor Management Engineers Ltd. — and they were to start by studying management's ranks. I assumed this was a reasonable move, because one heard that there were a number of people added in management in the last 10 years when this was the thing to do; now the company was going to take a sober, second look and see if all these additional management jobs were necessary. I thought that was great.

I received a letter from you, Mr. Snow, dated the 23rd, in which you discussed this. This was one of the questions which I had written to you about. I must add, as an aside right here that I think I have exchanged more correspondence with you than with any other minister, and perhaps this is because your ministry is of vital importance to north-eastern Ontario. I must say that on many occasions you were most co-operative and when you could be of assistance, you certainly were. But this particular part in your reply of the 23rd I found a little bit disturbing. You mentioned the study was being undertaken—and I will just quote one sentence:

A decision was made by the commission that the administration and office procedures would be the first ones to be re-



viewed, and this was primarily done so that there could not be any adverse criticism that this review or reviews of this type were only carried out in the areas of the workers of the organization.

What I would really like is possibly to have my fears allayed. I assume by your reply that this study may be carried over into all sections of the work force, not just management; that it isn't going to stop at management. I would hope that this kind of a study would be very sensitive to the fact that there have been a number of cuts in the workers' ranks in the last few years, but there have been very few cuts—in fact, there have been additions—in management.

I hope this isn't just another one of these time and motion studies that is a way of justifying a further persecution of the work force.

The reason I am hopeful is that I feel that work force is an extremely good one and very committed to the company. That is one of the salvations of the ONR, because, regardless of what decisions are made in North Bay, the work force itself is committed to its job. The people who are on the section gangs take a pride in the work they are doing; they feel that the track should be improved, and they know what should be done. The fellows who are engineers on the trains also take pride in their job. This is found throughout the whole work force regardless of what job they are doing.

As I say, since their ranks have already been depleted, I hope there is not going to be another sort of purge creating more ill feeling, because I feel there is going to be a point in time when you are going to jeopardize the commitment of those people to the company. You can't be kicked indefinitely without finally saying, "We are not going to carry the whole show."

I'm sure that my colleague from Nipissing is going to bring up the matter of pensions, so I won't get into too much detail. I know he has worked on this a lot and he is much more of an expert than I am. Suffice it to say that I feel the ONR is morally obligated to assist the former members of its work force who transferred to the CNR. There are a lot of reasons for that; cardinal among them is that when people transferred from one line to the other in 1964, the CNR allowed the retirement pensions of employees of the ONR who had formerly worked for the CNR to be calculated on their five best years, but the ONR wouldn't allow that same sort of transfer. What this means is that people who now

work for the CNR, and originally worked for the ONR, end up getting a reduced pension to what they should be getting.

The letter than was sent to the minister by the Canadian Brotherhood of Railway, Transport and General Workers, mentioned one example that I think fully illustrates this problem. A Mr. Lariviere worked for the ONR from Dec. 16, 1927, until April, 1964, when he was transferred to the CNR, and he retired from that railway on April 1, 1975. If you calculate his pension the way it should be if he was allowed to have his pension calculated on the five best years, he would have got \$390 a month. But because of the ONR's unwillingness to allow this, at the pensionable date he was getting \$235.84. That just isn't fair. It's not a reasonable retirement pension for people who have been in a work force of this nature and contributed to pension funds.

I know this matter has been discussed by the commission, it has been discussed by the ONR pension board, which incidentally agreed unanimously that this transfer should take place, and I believe it has even come to your attention. I hope the minister will rectify this injustice—and there's no other term but injustice to describe it.

The last item I'd like to mention before concluding is the unusual way of choosing Ontario Northland Transportation commissioners. Perhaps we will see an end of this method and a revitalizing of the commission. If the commission is to help ensure that the whole Ontario Northland Transportation Commission operates for the benefit of north-eastern Ontario, northern Ontario and, indeed, for all of the province, then I think public participation is essential.

You are not getting a very good cross-section of any community on the commission. I don't know which community you feel you're getting a cross-section of, because the people on the commission, regardless of their capabilities, are not representative of a wide cross-section. I don't know all of these gentlemen personally, but the ones I do know have distinguished themselves in their service to the Conservative Party in the past and I'm sure will continue to do so in the future. They also tend to be very much chosen from particular economic groupings if you look at an entire work force.

There's no representative on that commission from the labour force—no working man's representative or whatever you want to call it. I know the commissioners say they represent all the workers, but they are drawn



almost entirely from the business community. Certainly the business community should be represented, but so should other communities. You have no women on the commission. I know that there are many capable women in northeastern Ontario who could be very good commissioners. Those are but a few areas and ways I feel the composition of the commission could be improved.

I would like to conclude by saying that the ONTC and the ONR are extremely important parts of the north. The original development goal that was set forth for the railway when it was established is still a valid goal. In recent years I think the commission and the railway have faltered somewhat in the implementation of this goal and it is essential that they get back on the right track. The work force on the ONR and the ONTC are a very dedicated group of men and women, and I think it's essential that management begin to look a little more sensitively toward its work force and that it try to ensure that this attitude on the part of the work force continues.

There are many challenges to be met by the ONR if it's to fulfil its original mandate of being a development railway, and I think all those challenges are worth the task. I think they're worthy of support by this government. I know they're supported by the people of the north. I would like to hear, and I'm sure the people of the north would like to hear, the minister outline some of the ways that we can get this development railway back in business. Perhaps the minister and Mr. Clifford would like to comment on some of these. I have a few other questions, but I think they'd be better placed in the context of your reply to some of the points I've raised.

**Hon. Mr. Snow:** After all that, I hardly know where to start.

**Mr. Bain:** Start at the beginning. How about the jobs?

**Hon. Mr. Snow:** What jobs do you mean?

**Mr. Bain:** The point about the layoffs.

**Hon. Mr. Snow:** I don't think that's where you began.

**Mr. Bain:** You wanted a suggestion, and that was mine; but any place certainly would be totally acceptable.

**Hon. Mr. Snow:** First of all, I think you asked about who was running the railway and you commented about getting it back in

business. I think it's very much in business, as a matter of fact. There have been problems in terms of the amount of freight that has been moving, but this is not a problem that the railway can do anything about—or the management or the workers as far as that's concerned. It's unfortunate that layoffs were brought about. I meant every word I said in that statement, I still do; but I know that a lot of the workers have not been called back yet or weren't called back quickly because, of course, the freight disappeared when the paper mills closed down. I don't think you would want us running empty trains up and down the track to keep the employees busy when there was nothing to haul on those trains.

Unfortunately, the freight has not come back as quickly as one might have hoped it would because, to be quite frank, the paper companies lost quite a bit of their business when they were out of business for such a long period of time. The paper companies, as I understand it, are having trouble getting that business back, and it may come back slowly, unfortunately, because their customers found other suppliers; this always happens when there's a long shutdown in an operation.

**Mr. R. S. Smith:** Maybe Mr. Clifford could tell us exactly how many were laid off, how many are now back and how many still have not been brought back on to the work force?

**Hon. Mr. Snow:** Do you have those figures? [3:45]

**Mr. Clifford:** I think maybe I should outline initially that when we had our initial discussions with the labour organizations—there were about 14 general chairmen there and five or six management people—there was never any doubt in either the minds of the labour organization people or in my mind about the layoffs. They were told very bluntly what was going to happen. One thing about our rapport with the labour organizations, they may not always like what I tell them but they know what I tell them is the truth. I told them at that particular time there would be 99 jobs which would not be filled. They would be gone. Of those 99 jobs, some of those jobs were not filled at that particular time—59 out of the 99 positions were filled at that time and 40 were not filled, so really 59 people who were actually working at that time were laid off.

**Mr. Bain:** So when the layoffs came and were blamed on the strike, there were 140—



**Mr. Clifford:** I said there were 99. That is what I said.

**Mr. Bain:** There was a total of only 99?

**Mr. Clifford:** There was a total of 99 positions which we would not fill. Of those positions, some were filled, there were positions which were vacant because somebody had retired or was off sick, and also in there were some additional positions that were budgeted for, and there was a total of 99 positions. There were only 59 of those 99 jobs filled and people actually working at that time.

**Mr. Bain:** So that the total number of layoffs that was made over the strike period was 99?

**Hon. Mr. Snow:** No, 59.

**Mr. Clifford:** No, 59 at that particular time.

**Mr. Bain:** But 99 jobs were cut; 59 people were laid off.

**Mr. Clifford:** Yes, 59 at that particular time when we had the meeting with the labour organization I think about Jan. 5.

**Mr. Bain:** What period of time does this cover? Were those 99 cuts the only ones in a six-month period?

**Mr. Clifford:** Prior to that?

**Mr. Bain:** Yes, sir, prior to that.

**Mr. Clifford:** When the newsprint companies went on strike, we reduced some of our yard forces and we reduced some of the people in the yard offices who call the crews, and we were running fewer trains. Some jobs were reduced at that time, anywhere from July through to December, but when you're talking about the major layoff, which was the information given to the unions right after the new year, there were 59 jobs which were filled at that time in which people would be laid off.

**Mr. Bain:** So over a six-month period, you still have your 99?

**Mr. Clifford:** Yes, but the 99 positions are made up of three categories: 1. Positions which were filled at that time; 2. Positions which were vacant for some reason or other—whether a person is retired or was off sick or something; 3. Positions which we had intended to create.

**Mr. Bain:** I'm aware of that. So from, shall we say May of last summer—

**Mr. Clifford:** No, it wasn't May; the newsprint companies didn't go on strike until July.

**Mr. Bain:** No, I have expanded our territory now. From May of 1975 until today, how many jobs have been lost?

**Mr. Clifford:** From May, 1975, to today?

**Mr. Bain:** Or for whatever day you have the most up-to-date figures.

**Mr. Clifford:** All right. Of those 59 people who were laid off, a number of those people have returned to work since January. If you're talking about individuals not back to work yet—and I haven't got the exact figures here—basically, it's mostly head office personnel, in the clerical organization, who have not got back to work. Most of the others are back. I haven't got the exact figures but most of them are back.

**Mr. R. S. Smith:** Most of the running trades in the shops?

**Mr. Clifford:** There were very few in the shops who were laid off. Some of the running trades people aren't back. I think Mr. Bain mentioned we had five through-freights and two way-freights operating on a fairly consistent basis, and we still have the five through-freights operating but the two way-freights are not operating. In other words, the through-freights now are doing the work that the way-freight used to do, because the business is just not there.

**Mr. Bain:** So for roughly over a year, from May, 1975, until today, how many actual jobs have been cut and how many people have lost their particular jobs? That gives you the way of answering it the way you've been going, not only people who have lost jobs but jobs that have been cut.

**Mr. Clifford:** Quite a few of those people who were laid off have resigned. I can give you the number of people who are still laid off.

**Mr. Bain:** Did they resign because—

**Mr. Clifford:** No, as a matter of fact, some of them who were called back to work had got other jobs and decided they were going to stay there.

**Mr. Bain:** If you answer both ways, we will cover both items. The total number of jobs



that have been cut and the number of people who were laid off and are still off?

**Mr. Williams:** Mr. Chairman, on a point of order, are these questions really relevant to transportation matters? It seems to me these questions, dealing with the employee situation, would be more appropriately asked in the estimates dealing with the Ministry of Labour.

**Mr. Bain:** No, no. You come up north some time and we'll show you the ONR—

**Mr. Williams:** With respect, Mr. Chairman, this has nothing to do with transportation per se. We are dealing with a strike matter here and the number of employees who were laid off. I don't think it has to do with transportation at all.

**Hon. Mr. Snow:** Were dealing with the employees of the Ontario Northland Transportation Commission; we are not dealing with someone else's employees.

**Mr. Williams:** What's that got to do with the efficiency of the Ontario Northland Railway?

**Mr. R. S. Smith:** The money that is voted for the railway is dependent on the employees.

**Mr. Deputy Chairman:** We're talking about vote 2405; item 2.

**Mr. Gilbert:** Mr. Chairman, the money in this vote is for the items that we fund through our estimates. I think there is no money in this vote for the freight operation; it is for the passenger service deficit, the Tobermory ferry and the northern Ontario deficit. There is no money in this vote for the freight deficit.

**Mr. Clifford:** Mr. Bain, I can get you that information on the people who are still laid off. My best guess right now is that there are no more than 12 to 15 people who are still laid off at the Ontario Northland Railway.

**Mr. Bain:** Okay.

**Mr. Clifford:** I'll qualify that, because I'll have those figures checked.

**Mr. Bain:** I would appreciate that. Do you think it would be possible to indicate in what areas these jobs are—

**Mr. Clifford:** Sure.

**Mr. Bain:** —as well as the overall number of jobs that have been cut and the people who are still on?

**Mr. Clifford:** The number of jobs that have been cut, of course, is based a lot on the volume of traffic that you handle. The running trades are always flexible; in other words, even at the best of times you will have some of the running crews being laid off. We've got a big spare board; and they are on the spare board for relocation purposes and what have you, but the running trades are continuously adjusted as to the number of men you have working. It all depends on the volume of traffic and the number of trains operating.

**Mr. Bain:** So we could have a better picture, do you think you could also give us the freight figures? If we take the May, 1975, period and bring it up to date, it would give us a good cross-section of the freight over that period so we could see the decline in freight associated with the strike and, since the minister mentioned the freight from the paper mills wasn't yet up, we could see how fast it is rising.

**Hon. Mr. Snow:** Do you have any information on that now, Mr. Clifford?

**Mr. Clifford:** Are you talking freight tonnage or freight ton-miles? I haven't got a comparison of the tonnage or freight ton-miles, but I can get it for you.

**Mr. Bain:** Thank you. I'm sorry for the interruption. I realize you were making comments, Mr. Minister, and I got involved in one of your replies.

**Hon. Mr. Snow:** I think perhaps we should deal with the different items that you brought up as we go along. You made comments about the management of the railway. The railway, of course, is operated under the commission. The general policy of the railroad and the aims and objectives, I guess, were established by the government. It's a government-owned railroad and, as you had mentioned, it was started up a great number of years ago to serve the need for transportation in northeastern Ontario and I think, to the best of its ability, it has done that. I think, regardless of what you say, to the best of my knowledge I've met all the commissioners. I've met them here in Toronto at one meeting and I went to North Bay and spent the day in North Bay and attended a commission meeting.

**Mr. McChesney,** the chairman of the board, is a well-known and highly respected gentleman from northern Ontario. The other members of the board are all from northern Ontario and take their duties very conscientiously.



ly. You may not agree with me, but that's your privilege.

**Mr. Bain:** No, I never said that they didn't take their duties conscientiously. I made that pretty evident. They work quite hard and I think they're trying to do a good job, but I'm just concerned about—

**Hon. Mr. Snow:** You were more concerned about them being Conservatives.

**Mr. Bain:** No, I realize there are some good Conservatives too.

**Mr. R. S. Smith:** That's not to say they take their duties conscientiously.

**Mr. Bain:** The broader point is, is there not a better way of selecting commissioners than being good Conservatives?

**Hon. Mr. Snow:** I don't know what that had to do with the selection of commissioners. I did not select any of the commissioners. I believe, from what I can recall, one of the commissioners comes from Kapuskasing, one from Timmins, one from Sault Ste. Marie, I guess, one from up in the tri-town-Cobalt area and two from North Bay, so I think the representation is spread about as evenly throughout the area served by the ONR as one could get it. I think these gentlemen are all well regarded in their communities for their community activities as well as their business ability in helping to run the Ontario Northland Railway.

**Mr. Bain:** How does one apply to be a commissioner?

**Hon. Mr. Snow:** We don't appoint them every day of the week, of course.

**Mr. Bain:** No, I know, but just in case one of these openings comes up in the future, I'd like to know if we should advise people to apply.

**Mr. Evans:** You will be looking for a job right after the next election.

**Mr. Bain:** You're assuming that we'll be the government and we'll operate the ONR the way you have, and I'll get an appointment.

**Mr. Philip:** When we form the government, we won't operate it like a private company.

**Mr. Bain:** Isn't there a broader set of criteria that you can use. Why, for example, are there no women on the commission? Even if you used the criteria you've used, I'm sure you could put a woman on there.

**Hon. Mr. Snow:** Oh, I'm sure we could. I'm sure there are women who would be very capable. We have them on many of our commissions and boards throughout the government. This happens to be one where there is not. The Ontario Telephone Services Commission is another commission that reports to me and of six commissioners one is a lady from Belleville. That appointment was made, and all those appointments were made, before my time in the ministry, but there's no reason that I know of why one of the ONTC commissioners is not a woman.

**Mr. R. S. Smith:** If we're going to discuss the commission itself, should we do it now or do you want to wait?

[4:00]

**Hon. Mr. Snow:** I don't know. There are so many different points covered by Mr. Bain. I have a few notations here. I would like to ask Mr. Clifford—you suggested there was a great number of additions to management and I would like Mr. Clifford to clarify that.

**Mr. Clifford:** Yes, I would like to clarify that, Mr. Minister. Also, Mr. Bain spoke as if there was very little compassion on the part of management people for the labour staff and I want to go on the record to say that we held off on the general layoffs for as long as we possibly could.

I think if you will go back and look at the number of layoffs the other railroads in Canada had during 1975, you will find there was quite a reduction in the working force. We held off until the very last moment, you might say. Even though the paper mills went on strike in July, we kept on procrastinating, if you will, and did not have any general lay-off but we just couldn't live with it after the beginning of the year. It is not an easy thing to have a massive layoff. If you are talking about the management people, percentage-wise there has been more reduction among management positions than in the labour force since May last year. If you want the percentages and that information, I can get it for you soon enough.

**Mr. Bain:** I was wondering—are you going to extend to the work force the programme you have for your senior management people as an incentive to retire? I hear they get up to a year's pay and full pension if they are of pensionable age.

**Mr. Clifford:** It all depends. There are certain criteria they have to meet.

**Mr. Bain:** That's not open to below management level?



**Mr. Clifford:** Quite true, but that is an inducement to get management people to sever their connections with the Ontario Northland. If you want to get real hard-boiled about it, those management people, those positions, would be reduced. Those people, 95 per cent of them, hold seniority in various crafts in the Ontario Northland so if you reduce that management position and the person goes back into the labour force, all he's going to do is to lay off somebody else.

**Mr. Bain:** That's not my question. I am not arguing on that point. I am just asking will the same kind of programme be extended to the workers?

**Mr. Clifford:** No, because in this particular programme, the incentive is there only if that position is not replaced or a comparable position is not replaced.

**Mr. Bain:** And if that person doesn't bump?

**Mr. Clifford:** No. If there's a particular job and a person is going to retire early from the Ontario Northland and that job has to be filled, that particular person does not get the incentive programme.

**Mr. Bain:** I am sure there would be a lot of workers who might take retirement under those provisions as well.

**Mr. Clifford:** Okay, then their jobs will not be filled either and so you are just losing out on your labour force.

**Mr. Bain:** How about those 12 people whom you mentioned weren't going to be rehired? You could always extend it to them.

**Mr. Clifford:** You are talking of 12 people; six of those are in a force comparable to the Ontario Northland. They only came to the Ontario Northland in 1975; they joined the company only last year. Nobody in the organization with seniority before 1975 was laid off.

**Mr. Gilbert:** I might say, Mr. Chairman, that actually the agencies and commissions are not the only areas of government ministries where there have been layoffs. As I think you realize, all ministries have been asked to look at their staffs and try to operate as efficiently as possible. I think really what you are talking about here, listening to it, Mr. Bain, is the fact that there was a strike imposed but at the same time the management of the ONTC was being asked to look at the overall organization to assure that there were no positions being filled which

could be done without. I think, as he has said, the head office area, the administrative area, is the one area which hasn't been filled as quickly as some of the others. I guess it is completely redundant in some of those positions.

Really, you have the two things in the north. You had the strike and at the same time there was a direction given to the ONTC to look at the entire organization, management as well as the bargaining units.

**Mr. R. S. Smith:** I would like to ask a couple of questions on the programme of early retirement for management people. At what level of management does this start?

**Mr. Clifford:** All levels. It is for all. It is for management and other people who are not covered by labour contracts. There are technicians and all kinds of people, right from the first-line foreman up.

**Mr. R. S. Smith:** All people who are not covered by union contracts?

**Mr. Clifford:** By labour contracts, yes.

**Mr. R. S. Smith:** This has been in effect for how long?

**Mr. Clifford:** In the last two months.

**Mr. R. S. Smith:** How many people have taken advantage of this?

**Mr. Clifford:** To date, I think there are about six and they were not replaced. I think I should qualify that, by saying if that particular job has to be replaced. But if the person who has gone into that job doesn't have to be replaced, then the person is still entitled to the incentive programme. It has got to be a comparable job within a percentage of the salary range.

For example, a person who is retiring is getting \$1,000 a month. We may have decided that that particular job was necessary, but the person going in on that job might have been in a position which paid \$900 a month, and we have decided that that \$900-a-month position is not required. So that person who was on the \$1,000-a-month position would still be entitled to the incentive programme because we are knocking off a position which is within a percentage of the original salary of the person who is retiring.

**Mr. R. S. Smith:** Do you anticipate that this will cut your overall management staff in a period of a year or two?



**Mr. Clifford:** The programme policy will continue in effect until the end of this year and then we are going to review it to see whether or not we will continue it. At the present time, I have my doubts that we will continue it.

**Mr. R. S. Smith:** If that is the case, it appears it is put in to satisfy some people for a short period of time, and then it is withdrawn.

**Mr. Clifford:** No, it is not put in to satisfy some people.

**Mr. R. S. Smith:** I can make specific references to people who have great political activity who are benefiting by this programme.

**Mr. Clifford:** I think I know whom you are referring to, but such is not the case.

**Mr. R. S. Smith:** I am not saying it is the case, but you know as well as I that it does create some question among other employees who are not being given the benefit of this same programme. I am talking about the morale of the employees in general. You had a study in which you had your management consultants doing a study during January and February. Along with this, I think that has created some discontent among the people there, the younger people, perhaps, too. I just indicate this, not as a particular criticism of either one, but as what I understand is taking place. I hear things, just like you people do, and I talk both to management and labour people. I find it does create some question as to the credibility of the programme when you say you will make it run until the end of the year and you'll look at it again then.

**Mr. Clifford:** I have some grave misgivings about losing the number of management people we are. You come to a point where you're going to start to suffer, and that applies to management people and the labour force.

**Mr. R. S. Smith:** Yes, I understand that.

In other words, this programme is now in effect and likely will be phased out toward the end of the year.

**Mr. Clifford:** It will go to the end of the year, and we're going to review it before the year is up to determine whether we will continue it.

**Mr. R. S. Smith:** How many people do you think will be affected by the end of the year?

**Mr. Clifford:** My best guess is maybe 12 to 14 people.

**Mr. R. S. Smith:** How many of those people could have gone on full pension? Or were all of them qualified to go on full pension?

**Mr. Clifford:** Yes, they could.

**Mr. R. S. Smith:** All of them?

**Mr. Clifford:** Yes, could go on pension. I think all of them who have gone, or who are in this category, have 35 years' service.

**Mr. R. S. Smith:** In other words, they could have gone on full pension, but now they are going with a year's full pay. Do they drop that year's pension as well, or do they have both?

**Mr. Clifford:** No, they drop the year's pension.

**Mr. R. S. Smith:** They are kept on the payroll, and then it's credited—

**Mr. Clifford:** No, they can take that as a lump sum payment or they can take it—

**Mr. R. S. Smith:** In lieu of pension?

**Mr. Clifford:** No, they can take it as a lump sum payment, or they can have it spread over in three equal annual instalments.

**Mr. R. S. Smith:** Three, is it? When does their pension start?

**Mr. Clifford:** If a person decides he wants to retire at the end of this month, his pension is effective July 1; it is based on service up to July 1.

**Mr. Bain:** And in addition, they get this lump sum of money.

**Mr. R. S. Smith:** But their pension doesn't start until a year from July?

**Mr. Clifford:** Oh, no. Their pension starts July 1 of this year.

**Mr. R. S. Smith:** In other words they get their pension and the year's pay together for—

**Mr. Clifford:** It's not always a year's pay. It all depends on how many years they've got to go. There is a scale that has been worked out. But you've got to realize that although they are getting this, there is a company saving on all the fringe benefit aspects of the position, which today runs about 33 per cent. Without those incentives the person would very likely still be with you.

**Hon. Mr. Snow:** These people who are less than 65 years of age.

**Mr. Clifford:** Yes, oh yes.



**Hon. Mr. Snow:** But they have 35 years' service.

**Mr. Clifford:** They have 35 years' service and are ready to retire.

**Mr. R. S. Smith:** I think if it was applicable to everybody, it would be fair. But since it stipulates only one portion of the work force, it doesn't work out as I would think in the benefit of all. I would presume that there are jobs all the way down the line to which this could apply, the same way as there are in management.

**Mr. Clifford:** Management and non-scheduled people.

**Mr. R. S. Smith:** Because you're not filling jobs down the line. You're not filling jobs created—

**Mr. Clifford:** Covered by labour contracts.

**Mr. R. S. Smith:** Yes.

**Mr. Clifford:** Oh, yes; we've even hired some new people on in the shops—

**Mr. R. S. Smith:** Yes, I know.

**Mr. Clifford:** —within the last couple of months.

**Mr. R. S. Smith:** Okay, but you said there were some vacancies that came up that were not filled. When you were talking about the 99 people, you said there were 59 who were laid off and there were 40 vacancies that were not filled. Well, you're just not filling those vacancies down the line. Nobody is benefiting from that.

**Mr. Clifford:** Some of them were vacant.

**Mr. R. S. Smith:** You don't fill vacancies at the top of the basket. Let somebody benefit by them. It's not equal.

**Hon. Mr. Snow:** I don't understand. You say you're not filling jobs and nobody has benefited. There were 40 vacancies that existed before the layoffs—

**Mr. R. S. Smith:** No other person is benefiting by it. No other employee is benefiting by it. Most people are covered by union contract who work for the Ontario Northland. If their job becomes redundant and they retire, that job is not filled. But he's not given any consideration for taking early retirement. If you are at the management level, however, and the same exact condition applies, that person is given one year's free salary for taking early retirement.

**Mr. Clifford:** It's not necessarily a year's salary.

**Mr. R. S. Smith:** That's not important; but he's given something extra, right? You figure it out by your formula on the salary percentage per year. The fact is, therefore, that you have really two classes of employees—those who get and those that don't get. And that's the point that I'm trying to make.

**Mr. Bain:** One is called management.

**Mr. R. S. Smith:** And if you're in management you have a different set of rules than you do for those—

**Mr. Clifford:** One group is covered by a labour contract and the other group isn't covered by labour contract.

[4:15]

**Mr. R. S. Smith:** Well, I could make a comment about those who were covered by it, but I won't. You must agree with me that on the face of it it appears inequitable.

**Mr. Clifford:** Yes, but what you are saying is it appears the only people who get any concessions are the management people and the people covered by labour contracts don't get any concessions. In that particular policy, you may be right.

**Mr. R. S. Smith:** I am only talking about this policy. I'm not talking about all policies, I am just talking about this one policy. I feel that it is inequitable to have a different approach to employees, in that type of structure at least. Are you going to answer some other questions of Bob's or do you want me to go on?

**Hon. Mr. Snow:** I don't know quite what isn't answered at this moment.

**Mr. Deputy Chairman:** Mr. Bain, you were through, were you not?

**Mr. Bain:** Oh yes, I was just wondering—actually I didn't want to interrupt here, but since you asked me, though, I was just wondering if you are going to cover the others. I am sure Dick is going raise pensions again.

**Mr. R. S. Smith:** I am going to cover one of the same things he covered and that's in regard to the pensions of those people who were transferred back and forth between the two railroads. So if I spoke on that maybe he could answer that for both of us.

**Mr. Deputy Chairman:** Mr. Wildman is next on the speaking order.



**Mr. R. S. Smith:** Well I'll cover all my things on this vote, or I will cover this and we can discuss it and then I will cover whatever I have left on this vote.

**Hon. Mr. Snow:** I think if we deal with one item at a time rather than a scatter gun approach we'll get better answers for you.

**Mr. R. S. Smith:** Yes, well that's right. So I will cover the pension thing. This pension thing goes back a long time to 1963 or 1964, when there was a transfer of employees between the ONR and CNR.

I presume it was done to provide a better operation for both railroads and not particularly, I don't believe, to benefit the employees; although I do believe that perhaps some of them might have had to make some moves otherwise. From that point of view they did benefit, but I think it was a rationalization of the two services. In North Bay, for example, when they put the two services together obviously it operated much more reasonably for both the ONR and the CNR. It made good sense from the position of both railroads, and from the position of the employees concerned at that time I think it did too.

But one problem arose, and I don't think the men really understood what was happening to them. Of course, I think inflation has had a lot to do with the end result of this thing, as well as the fact that it wasn't laid out properly to them in the first place. They have lost considerably more because of inflation than perhaps they ordinarily would have if we had not had the large inflationary trends we have had since that time.

The ONR employees who were transferred to the CNR, as Bob has pointed out before, had their pension based on their last five years with the CNR for those 11 years or 12 or 10 years they had served with the CNR; and for the time they spent with the ONR, they had that portion of their pension based on their last five years with the ONR, which put them back into those years running from 1958-1959 and 1963-1964. As Mr. Bain indicated earlier, in one particular case it meant a difference of somewhere in the area of \$155 per month to the man; or a difference of 50 per cent in what he actually got.

The CNR, on the other hand, had some of their people become ONR employees; and their employees who came to the ONR were granted pensions on their last five years as employees of the ONR. In other words if they were pensioned in 1974, all their pension was based on the 1969 to 1974 period. They had in fact a much greater pension, because the

CNR accepted and paid on the last five years they worked for the ONR; whereas the ONR employees who transferred to the CNR had their pensions based on their last five years with the ONR, which was back in 1963 when they were making much less money than they were in the last five years if they were pensioned in 1974. It sounds a little complicated, but really it isn't. It works out that most of these people, or some of them at least, have a reduction in their pension of about 50 per cent. I understand that's in the regulations as set out under the pension plan of the ONR, but they did make appeals from time to time over the last few years as they became pensionable and realized what was going to happen to them. I really don't think they believed before that it made any difference to them, although it may have been explained to them at the time.

In the first memorandum of agreement between the CNR and the ONR, there was no mention at all of what would happen to pensions. But following that, as these people began to retire and they began to see what their pensions were, they made appeals first to the pension commission of the ONR, which I understand is made up of representatives of the 14 general trades, who get together and appoint—is it two members?

**Mr. Clifford:** Three on each side.

**Mr. R. S. Smith:** So there are two of you and Tom Farmer and three members of the unions. You people agreed unanimously, I understand, to recommend to the commission that the changes be made in the regulations. Is that correct?

**Mr. Clifford:** We didn't exactly make the recommendation that changes should be made in the regulation. We made the recommendation that we felt there should be some consideration given to trying to do something for those employees who were affected.

**Mr. R. S. Smith:** I had here what your recommendation was; anyway, it indicated that it should be equalled off as the CNR had done. It went to the commission and, of course, the commission turned it down on the basis of cost, I presume, but not on the basis of more responsibility or equity. That does not seem to have been taken into primary consideration. Also, there is the fact that the pension commission, which is made up of both management and labour, had recommended that a change should be made. But the commission in its wisdom chose to turn it down.



There was an appeal to the commission. I wrote a letter of appeal to the commission, and I received a reply stating they were going to stick by their previous decision, which flew in the face of the pension commission recommendation and the request of the employees. I realize they don't accept all the proposals made by the pension commission, but in cases like this in the past I presumed that they have generally accepted the proposals when agreements were made at the pension commission to make such proposals to the commission. But in this specific case they didn't. They reviewed the matter, however, and decided they would stay where they were and so replied to me as well as to some of the people concerned within the railway.

I then wrote to you, Mr. Minister, outlining the whole situation and enclosing a copy of a letter that I had forwarded previously to the secretary of the commission and which went into the problem more fully. You looked at it and wrote back to me. In your letter of March 19, in reply to mine—I sent you two letters, one on Dec. 10 and another one on Feb. 26—you said: "My apologies for delaying in reply to your letter. . . . I have reviewed the entire matter of the pension entitlement of our staff who have transferred to CN in 1964. . . ." And you said it was handled in a fair and proper manner. It may have been handled in a proper manner, but I certainly disagree that it was handled in a fair manner. According to the regulations—

**Hon. Mr. Snow:** At that time.

**Mr. R. S. Smith:** I say to you that it was handled in accordance with the regulations in a proper manner. Now, whether it was fair or not is certainly in question, and that is what I was writing to you about. You also went on to say how Mr. Farmer had explained it to me and all this type of thing, and certainly Mr. Farmer had explained it to me and I understood it very fully. Then you said, "However, I am satisfied with the position of the pension board." The position of the pension board is to do something about it.

If you are satisfied with the position of the pension board, therefore, you are indicating that some change should be made, and I just find it very difficult to understand how you can say that you were satisfied with the position of the pension board "and see no reason for further action on my part." Who the hell's part are we going to get action on if you agree with the pension board and the pension board has recommended something?

**Hon. Mr. Snow:** I won't comment on that letter unless I can get a copy of it.

**Mr. R. S. Smith:** Well, here I'll give it to you right here, as long as I get it back.

**Hon. Mr. Snow:** I have signed a few thousand letters since I signed that one. I am not sure of everything that was in it.

**Mr. R. S. Smith:** I am having trouble getting it out. Just look at the last part of it that is underlined.

**Hon. Mr. Snow:** All I can say is that when this letter was prepared it was certainly my opinion that I was referring to the position of the board—the commissioners—not the pension board.

**Mr. R. S. Smith:** The pension board and commissioners are two separate things.

**Hon. Mr. Snow:** I realize that now.

**Mr. R. S. Smith:** And the fight was between whether the recommendation of the pension board would be upheld or whether the recommendations of the commission would be upheld.

I am sure that the commission would have upheld the pension board if, in fact, it had some undertaking from the government to pick up the cost, because you know as well as I—

**Hon. Mr. Snow:** We can all be very generous with somebody else's money.

**Mr. R. S. Smith:** You know as well as I that the way this thing operates is that it comes from the pension board to the commission and then it had to come down here, because they are allowed to spend that to run the railroad but they are not allowed to spend that—

**Hon. Mr. Snow:** If they are going to spend money they are going to spend their own money, not the government's money.

**Mr. R. S. Smith:** Either one or the other, because obviously in these estimates they are spending government money. That's what we are talking about.

**Hon. Mr. Snow:** Only on one aspect. The only reason they are spending government money is on two or three programmes where there are specifically agreements to subsidize them.

**Mr. Clifford:** The pension board, by the way, Mr. Smith, is not a policy-making body. All the pension board is there for is



really to administer the regulations as set down in the Act.

**Mr. R. S. Smith:** Oh yes, I know, but they also have the right to recommend to the commission, which they did.

**Mr. Clifford:** Yes, but I think it was the commission's decision, and as I recall it, this was going to cost an additional \$380,000—I believe that was the figure.

**Mr. R. S. Smith:** No, \$367,000.

**Mr. Clifford:** Okay \$367,000. In addition to what the company is paying into the pension fund right now, in matching the employees' contributions, there is also an amount of just under \$2.5 million which the company has to pay as interest on the unfunded liability.

**Mr. R. S. Smith:** That's the company's fault for not paying it over the years.

**Mr. Clifford:** Well, all right, that's not really the company's fault. We have another actuarial—

**Mr. R. S. Smith:** That's a red herring. It should have been paid in a long time ago.

**Mr. Clifford:** It all costs money. There's another actuarial study—

**Mr. R. S. Smith:** Yes, but you agree with me there were moneys that weren't paid in a long time ago?

**Mr. Clifford:** Okay, there's a lot of past things in there, but the thing is that there is another actuarial study completed at the end of 1975, and we haven't got the results yet, but I don't doubt whatsoever that it is going to be another \$200,000 or \$300,000 on the unfunded liability.

**Mr. R. S. Smith:** No, I don't question that at all, but this is a separate thing and I feel—

**Mr. Clifford:** By the way, when I researched the file there was every indication there on our files that the employees were well aware of what was taking place, both what they would get and what they wouldn't get. There was considerable correspondence back and forth with the CNR of the two methods that were being used by the two different companies. Everybody, from what I could see in the file, was pretty well aware of what would transpire even to the extent of the employees being advised of it. Now I have to admit I agree with you, inflation has had a lot to do with the situation—

**Mr. R. S. Smith:** It is playing a major part. [4:30]

**Mr. Clifford:** —but I don't think I would agree with you that the employees weren't properly advised on what the situation was at the time.

**Mr. R. S. Smith:** I don't think they understood fully what the implications were. Of course, as I said before, you couldn't foresee any more than I could that inflationary trends would create such a differential in a person's pension. For a person to work that long and to receive a pension of \$235 and for another person to have gone the other way, been switched to the CNR and to be receiving a pension of \$390 is inequitable, as far as I'm concerned. I think the commission or the government has a moral responsibility to correct that inequitable situation.

You get into a real conflict here when you talk about management people sitting on the pension board and making a recommendation. Then the commission finds not only against the union people who are making representations but also the management people who, in effect—

**Mr. Clifford:** Mr. Smith, there are a lot of recommendations I make to the commission that they don't agree on. They're the policy-making body.

**Mr. R. S. Smith:** I realize that. The whole point of the pension board is to bring together the management and union in order to formulate policy and have that policy go forward. Obviously it didn't work in this one instance, anyway. I still think the government has a responsibility here. You may have misconstrued the commission as the pension board but there's no such thing as a pension commission insofar as the CNR is concerned. I know there's one in TEIGA but that's a different one altogether.

**Hon. Mr. Snow:** No. I have no confusion over the pension commission. My confusion was with the pension board and the ONTC board.

**Mr. R. S. Smith:** We all understand what the situation is and these people are really being done in insofar as their pension is concerned. If I worked that long for any company and drew a pension of that much money I'd be damn disappointed and I'd want to know why I was not treated like the other guy.



**Hon. Mr. Snow:** How many people are involved in this scheme?

**Mr. Clifford:** It seems to me it was 14; was it?

**Mr. R. S. Smith:** There will be. They're not all involved yet because they're not all pensioned yet.

**Mr. Clifford:** Yes, but a lot of them have pensions. If you ever make any change in the regulations you've got to go and make adjustments for everybody who has gone on pension during that period.

**Mr. R. S. Smith:** Yes. You have to treat all equally, just as you'd have to treat them equally with those who transferred to the CNR. There's equity all the way along. At the present time there isn't equity and those 14 people are being left with much reduced pensions because of the fact they were transferred.

I say that the CNR did benefit by that agreement to transfer employees. They benefited in their operations; they benefited right in the North Bay operations. I've been down there and I know there are fewer people working in those two operations for the last 10 years than there—

**Mr. Clifford:** Yes, but by the same token, Mr. Smith, the employees had the option, at that particular time, of either staying with the Ontario Northland or going with the Canadian National; that is, the ones who were working for the ONR at the time. By going to the Canadian National they could stay in the location where they resided. If they wanted to stay with the Ontario Northland it meant that possibly they would have had to relocate.

**Mr. R. S. Smith:** I realize that. There were benefits both ways but I think the employees didn't really get their share of the benefits.

**Mr. Bain:** How can the CN do it if you can't do it?

**Mr. Clifford:** The CN pension regulations are different from the Ontario Northland's.

**Mr. Bain:** Surely, the basic principle at stake is the same in both cases and if it requires a change in the regulations certainly, in human terms, that change is required.

**Mr. Clifford:** I don't argue that point, Mr. Bain. There was lots of correspondence when I researched the file as to what went on at that particular time. The position taken by

the Ontario Northland was that was what the pension regulation called for and that's the way it was. The CNR's was something different.

**Mr. Bain:** As you say, that was the case then but, surely, with changing times and especially with inflation the circumstances are totally different. For no other reason, compassion should require that that change be made now.

**Mr. Clifford:** It's not for me to say that. It was a commission decision.

**Mr. Bain:** Do you think the commission was in any way deterred because they felt that that would be added to their operating costs, and that it would in no way be subsidized by the province?

**Mr. Clifford:** No, I don't think the question ever came up as to whether the government would subsidize that particular payment.

**Mr. Bain:** Perhaps it would be a good idea for the commission to approach the minister about it. Certainly something should be pursued and not just left.

**Mr. R. S. Smith:** That's what I'm trying to get at too. The commission never went anywhere other than turning it down themselves. I wrote to the minister and he went back to the management of the commission and then replied to me. I still feel it's a very inequitable situation. I would like to have the whole thing gone over again to see if there can't be at least some type of consideration given to these people. Why that one person, for example—and there are many others; they're practically all in the same boat—should lose \$160 a month, while his counterpart who is transferred from the CNR doesn't lose a nickel, is beyond me.

**Hon. Mr. Snow:** There are two different pension plans.

**Mr. R. S. Smith:** Yes, but they're doing exactly the same work.

**Hon. Mr. Snow:** I realize that. On the other hand, if those people had left the ONR at that time rather than being transferred they would have got a cash settlement perhaps of their contributions. Would that not have been the case? They maintained their seniority.

**Mr. Clifford:** They could have stayed with the Ontario Northland and had to relocate at another area on the Ontario Northland or they could go with the Canadian National



and remain in the same city or town that they were working in at that particular time. I think that's what the main thrust is.

**Mr. R. S. Smith:** I really don't think most of them felt they would be in the position they are in today and I think you would have to agree with me on that.

**Mr. Clifford:** I would have to agree with you there, yes.

**Hon. Mr. Snow:** None of us back in the early 1960s thought we were going to have the inflation we have.

**Mr. R. S. Smith:** That's one part of it. The other part is that the CNR did make provisions and the ONR didn't. That situation can be changed or an order in council can provide the funds for the commission to do it, or the Treasury Board. There are a number of ways that it can be done. But obviously the commission doesn't feel that that should be done. I would gather from what you say you agree with that.

**Hon. Mr. Snow:** With what?

**Mr. R. S. Smith:** With the present situation.

**Hon. Mr. Snow:** No, I didn't say I agree with it.

**Mr. R. S. Smith:** No, you don't agree with it; so you're going to do something about it.

**Hon. Mr. Snow:** I'm concerned about it but I'm also concerned that the commission has taken a very definite stand on the matter.

**Mr. R. S. Smith:** The pension board and therefore the management take a different stand than the commission. I'm sure if it was indicated to the commission that the funds were going to be available for them to do something, they would take a different position.

**Hon. Mr. Snow:** No, I don't think that's an option.

**Mr. R. S. Smith:** You don't think that's an option for whom?

**Hon. Mr. Snow:** For anyone.

**Mr. R. S. Smith:** For anyone?

**Hon. Mr. Snow:** I realize the employees don't care where the money comes from.

**Mr. R. S. Smith:** It's all government money, no matter how you shake it.

**Hon. Mr. Snow:** No, I don't agree with that statement.

**Mr. Wildman:** It all comes from our pockets.

**Mr. R. S. Smith:** Yes, that's right. It's the taxpayers who are paying it, regardless of how you look at it. It's either directly or indirectly.

**Hon. Mr. Snow:** The Ontario Northland is operating an independent business, as a company with revenues and expenditures, other than the two or three aspects of the operation that are subsidized, for instance, the rail passenger transportation, which is the money that is in this particular vote.

**Mr. R. S. Smith:** Air transportation is subsidized. The operations have been subsidized considerably over the years when they have had losses. We've had supplementary estimates on a number of occasions since I've been here in the last 11 years to cover the operating deficits of the railroad. So the whole thing has been subsidized at one period or another, and there is a \$20 million debt against it on—

**Hon. Mr. Snow:** Maybe you believe in subsidy to a greater degree than I do.

**Mr. Bain:** That's a red herring.

**Mr. R. S. Smith:** I'm just telling you what your people have done. Whether you agree with it or not is up to you, but it has been done by this government. The only part of the ONR that really hasn't been subsidized at one point or another over the past 10 or 11 years has been the communications department—and I think even it is being subsidized in one of the votes along here. So you know, we're not asking you to do something that hasn't been done before in one way or another.

**Hon. Mr. Snow:** If the government asks the ONTC to carry out a service or a programme that cannot possibly be a viable economic operation, then the government expects to subsidize that programme.

**Mr. R. S. Smith:** That's right and that's what I'm saying to you—that the government must also expect the ONTC to operate in a fair and just manner. I'm asking you to provide the moneys for them to operate in a fair and just manner with their employers—and I'm talking about the support team in particular.



If it's not the government's intention to operate in a fair and just manner with these 14 Ontario Northland employees, then that's fine. That's your position, and I could disagree with you on it. I don't think I could put it on any more basic terms than that, other than to say that your letter confused me. I thought maybe we had something going here when you included the pension situation, but I understand the different terminology used that created the problem for you.

I'll go on to the other question that this really brings up—and Mr. Bain brought this up earlier—and it is: Who runs the ONR? This has been bothering me for a number of years. We always talk in circles here about the commission doing this and the commission doing that. But you know as well as I do that there is direct intervention between this ministry and the administration of the Ontario Northland Railway, of which the commission does not either have knowledge nor do they have understanding. I suggest to you—well, Mr. Clifford, you can shake your head in whatever way you like.

**Mr. Clifford:** You're saying there is direct intervention. What you have just said is that the ministry is involved in the Ontario Northland increases of which the commission is not aware.

**Mr. R. S. Smith:** It's either not aware of it, or does not understand.

**Mr. Clifford:** That certainly is not the case.

**Hon. Mr. Snow:** I can't speak for what happened 10 or 20 years ago.

**Mr. R. S. Smith:** I'm not talking about then; I'm talking about now.

**Hon. Mr. Snow:** Okay, now. Okay, let's talk about now. I've been minister eight months today, I guess—isn't it eight? Any way, from October to June.

**Mr. Eakins:** In any case, it's nice to be here.

**Hon. Mr. Snow:** The Ontario Northland Transportation Commission operates as an independent commission. As I say, in the past eight months I have attended one board meeting of the commission, shortly after I was appointed in Toronto.

Mr. Gilbert and I went to North Bay one day and attended a full board meeting in North Bay, and we also toured the ONR operations—the sheds, the shops, the bus garages. We looked over the whole operation. We went up and looked over the communi-

cations facility up on the hill. I wanted to get out to see the Star Transfer Ltd. operation, but time did not permit it that day.

Beyond the board meeting that I attended, we have a monthly meeting. It is not a full board meeting, but Mr. McChesney and Mr. Clifford, sometimes others, come to Toronto once a month and we sit down and discuss matters of policy, new proposals the commission and the senior management staff are working on which would need my input and government input as the owner of the operation.

[4:45]

I think it's not unlike what any business would do which is operated by management on a day-to-day basis and where the owner of the business is not sitting there involved in the day-to-day management. When that company—let's draw a comparison with the Ford Motor Co. in Oakville, which is run by a Canadian president, a Canadian board of directors and many senior officials on a day-to-day basis, I'm sure when they have some major policy matter to discuss it goes back to Mr. Ford himself, in the US, to come over and sit down with them and discuss the major policy change they may be considering.

**Mr. R. S. Smith:** That's why we're a branch plant economy.

**Hon. Mr. Snow:** It is a pretty good economy no matter how it is. You may laugh; I don't happen to think it's funny.

**Mr. Bain:** I think the attitude is kind of funny because I expect to taste mom's apple pie and see the Union Jack unfurl any minute.

**Hon. Mr. Snow:** I don't get that comment. I'm sorry, maybe I'm a little dense today.

**Mr. Evans:** Good job you had it or you probably wouldn't be—

**Hon. Mr. Snow:** This is the relationship between me as the minister and the Ontario Northland Transportation Commission.

**Mr. R. S. Smith:** I understand that.

**Hon. Mr. Snow:** We meet monthly to discuss matters of policy. If there is any matter of policy which requires overall government approval submissions are prepared to go to Management Board or to cabinet for approval.

**Mr. R. S. Smith:** That's a question of money.



**Hon. Mr. Snow:** You said as far as interference was concerned—I don't quite know what your terminology was there—you indicated that I give instructions to people to do things which the board or Mr. Clifford know nothing about and that is ridiculous.

**Mr. R. S. Smith:** No, I did not say that whatsoever.

**Hon. Mr. Snow:** I'd like to read what you said.

**Mr. R. S. Smith:** I said that the ministry—I didn't say you personally—has contacts in the management of the ONR and does contact management of the ONR on a regular basis on a number of things in the operations of the ONR and that the commission—I'm talking about the commission—is not always fully aware of what is going on between the ministry and the administration. That is my opinion. It's been expressed to me by people, even some who are on the commission, that the commission as a policy body is being downgraded and it is not as significant in the operations of the ONR as it was at one time. It's lost much of its accountability to the ministry and management has lost much of its accountability to the commission. Its accountability, for some reason, is more direct to the ministry than it was in the past. That is what I'm saying and that is what I feel to be the case.

**Hon. Mr. Snow:** I don't believe that is the case at all. My communications with the—

**Mr. R. S. Smith:** I'm not talking about your communications.

**Hon. Mr. Snow:**—Ontario Northland Transportation Commission is through the chairman, Mr. McChesney, and Mr. Clifford and sometimes other staff people involved in dealing with a particular matter. There are no instructions. The planning department in the ministry is very much involved with overall transportation planning in the province. We do the broad transportation planning for the whole ministry and all its operations and I think it is right that we should. I don't think it would be right to have the ONTC planning one aspect of passenger transportation and the TATO board of management or whatever you want to call them, the board of directors, planning some other aspect of rail passenger transportation. There is no need to duplicate the overall planning aspect of transportation. We do that within the ministry.

**Mr. R. S. Smith:** What is the connection between TATO and the administrative people of the ONR?

**Hon. Mr. Snow:** None at all. They are two completely separate operations.

**Mr. R. S. Smith:** How does TATO do the planning for the ONR, for that area of the province, if it is has no direct connection?

**Hon. Mr. Snow:** TATO has nothing to do with the planning for the ONTC or that area of the province.

**Mr. R. S. Smith:** You just told me they did.

**Hon. Mr. Snow:** I said the ministry.

**Mr. R. S. Smith:** And you said TATO.

**Hon. Mr. Snow:** I did not. I said the ministry carries out the overall planning for the ONTC and for TATO but TATO does no planning or has nothing to do with the ONTC.

**Mr. R. S. Smith:** Is there a board set up there?

**Hon. Mr. Snow:** Yes.

**Mr. R. S. Smith:** Who are the members of that board?

**Hon. Mr. Snow:** Of the Toronto Area Transport Operating Authority?

**Mr. R. S. Smith:** Yes. There is no regulatory board other than the ministry above that?

**Hon. Mr. Snow:** No. The board of directors of TATO reports to me.

**Mr. R. S. Smith:** What input in planning does the ministry have to the ONR?

**Mr. Gilbert:** I would like to comment on this. I think, Mr. Smith, what you are talking about is that when ONTC first started reporting through our minister—and this goes back to 1971 when all transportation was put under one ministry—there were problems involved in sorting out the various responsibilities. I would think—and this is why I have to agree with Mr. Clifford when he nodded his head—that over the years we have sorted out these responsibilities very well. That is why you are looking today at items such as sponsored passenger services where the government has decided that the ONTC should continue to undertake those for the government.

As the minister has said, from a planning point of view our planning people not only work with Ontario Northland, but they also work with TATO. They also work with the federal government, the municipalities and everyone involved in transportation to come up with a transportation system for the Province of Ontario. It isn't a case of where they are saying to the Ontario Northland as officials



that they will do this, that and the other thing. They are working co-operatively together in some areas to come up with some recommendations that will end up as a transportation policy for the province.

As far as auditing is concerned, the ministry audits just those programmes that the government sponsors and that report goes to the general manager and to the minister. What I am saying is that I think the problems you are referring to, when the various agencies went together to become the Ministry of Transportation and Communications, are 99 per cent or 95 per cent resolved. If any difficulties arise at all, they are quickly settled either between the general manager and myself or at the meeting that the minister refers to when just the four of us are there.

**Mr. R. S. Smith:** In other words, there are decisions being made that really come under the Ontario Northland Transportation Commission Act and they are not being made totally by the commission. That is what has been indicated by what you have said and also by what I have said.

**Mr. Gilbert:** I think you are drawing a very fine line, sir.

**Mr. R. S. Smith:** Yes, I am drawing a very fine line because there is a damn fine line.

**Hon. Mr. Snow:** You are telling me I should overrule the commission on the pension matter. Then in the next breath you are criticizing me or the ministry or my predecessors for making policy decisions for the commission.

Get on one side or the other.

**Mr. R. S. Smith:** I'm telling you, you're very difficult to argue with because I don't think you understand what I'm talking about to start with. I would—

**Hon. Mr. Snow:** If I don't, then say what you are talking about and maybe I'll understand.

**Mr. R. S. Smith:** You do have the right to make decisions above a commission.

**Hon. Mr. Snow:** Right, but in the next breath you're saying the commission has a very low morale because somebody else is making the decisions.

**Mr. R. S. Smith:** I indicated to you that you want to have your cake and eat it, too. You don't want to use that right insofar as these pensioners are concerned but you certainly are using it in other areas where a government decision which affects the opera-

tion of the ONR is not made by the commission itself. It may be rubber-stamped by the commission somewhere along the line but it's not made by the commission itself.

There is a general fear in the north that the commission is losing its stature and I think that's because of two things. First of all, I think one of them is the fact that decision-making powers have invaded the prerogative of the commission to make those decisions. Secondly there is the question that Mr. Bain brought up earlier as to how the commission is composed and the appointments are made. It's lost its credibility because of that as well. I don't say that to downgrade—

**Hon. Mr. Snow:** The appointments are made by order in council. That's what the Act calls for.

**Mr. R. S. Smith:** That's right.

**Hon. Mr. Snow:** In the same way that appointments are made to most other similar operations.

**Mr. R. S. Smith:** That's right. To put it very bluntly the appointments are not acceptable to most of the people in northern Ontario. I put that to you and I would think that if you talked to 10 out of 11 people on the street in northeastern Ontario they would agree that—

**Hon. Mr. Snow:** Two of them are elected representatives, are they not?

**Mr. R. S. Smith:** None of the elected representatives is presently on the commission. They used to be.

**Hon. Mr. Snow:** Mr. Piché, the mayor of Kapuskasing?

**Mr. Bain:** He ran for mayor of Kapuskasing, not for the commission.

**Hon. Mr. Snow:** The people of Kapuskasing think enough of Mr. Piché to elect him mayor but you're saying they don't think enough of him to be a commissioner of the ONTC?

**Mr. R. S. Smith:** How many people are there in Kapuskasing?

**Hon. Mr. Snow:** It's a significant community in northwestern Ontario—about 15,000.

**Mr. R. S. Smith:** I'm not saying it isn't but I'm saying to you that he's not placed on that commission on the basis of being mayor of Kapuskasing and you know that as well as I do.



He was placed on that commission because he was raising so much trouble they had to start to quieten him. So they put him on a commission. He was in that group called the Action Group in northeastern Ontario so they figured, "To keep this fellow quiet we'll put him on the commission," and that's just what happened.

The last appointment to the commission from North Bay was purely political. For no reason other than his political activities and contributions to the good will of the party and its candidates was that person appointed to the commission.

I'm just telling you this. That is why the people in northeastern Ontario can't understand what's going on. For those two reasons—the first of which I outlined to you—the commission has lost its position of leadership in northeastern Ontario because the people are not going to be led by that commission any longer.

I say to you that if there is a way by which northeastern Ontario is going to go ahead it's got to be through the Ontario Northland Transportation Commission. I've said that for 10 years. Phase 2 of the northeastern Ontario Development plan almost ignores the Ontario Northland Railway Commission, as if it's not even there whereas it is the basic tool for development of the area. Between you and TEIGA—you might as well be from here to across the Atlantic as far as co-operation between the two ministries is concerned on development in that area.

[5:00]

**Hon. Mr. Snow:** That is not the position, as far as I am concerned, of the board of the ONTC. That is not the way I feel about my relationship between my ministry and the board of the ONTC. The ONTC board and senior staff are working very hard on some excellent proposals for northeastern Ontario.

**Mr. R. S. Smith:** I am in no way talking about the staff of the ONR. I agree with you on that. I am not referring to the staff whatsoever, other than the fact that your ministry staff is having and has had at some point in time some input into decisions that are made by the ONR without the commission being fully knowledgeable and fully in agreement with it.

**Hon. Mr. Snow:** I disagree with you, that's not—

**Mr. Clifford:** I certainly can't agree with you on that.

**Hon. Mr. Snow:** That is not the case, Dick. We've been working ever since I became

minister; it was developing just about that time. It's my opinion and it's the opinion of the commissioners and of Mr. Clifford and his senior staff that if we're going to maintain rail transportation in northeastern Ontario there have got to be some changes made. I and the commissioners and Mr. Clifford are working very hard to bring about those changes. But we've got a lot of problems involved—

**Mr. R. S. Smith:** I realize you have.

**Hon. Mr. Snow:** We've got the situation wherein we run north of North Bay and the CNR runs south of North Bay. Both the CNR equipment and our equipment are antiquated, they're hopeless, they're all 30- or 40-year-old equipment that they've been patching up for years. I rode on it once.

**Mr. R. S. Smith:** I've ridden on it more than once, I'm one of those poor people who live in that area and sometimes don't have any alternative.

**Hon. Mr. Snow:** I met with Otto Lang in Ottawa back in February and put forward, I think, some very constructive proposals. They're all being worked upon right now with the federal officials. We've had no decisions yet. As you know, the hearings are on with the transcontinental service; this will have an effect. I want to see North Bay become the junction point. I want to see a new service or an improved rail service running into northeastern Ontario. I want to see new equipment. But in the present status of the situation with the federal Ministry of Transport and the federal transport board, it's impossible. It's very frustrating to not be able to make a decision on new equipment until we get some of these other answers.

I'm meeting again on the 29th of this month with Mr. Lang and his officials to discuss some of these matters. We're making our submission to the Canadian Transport Commission on the 28th of this month. We've been monitoring the hearings on the transcontinental service. We made a preliminary opening statement at Sudbury and then we'll make our major statement on the 28th.

We're very interested in improving service but we've got to work it out. There's a hearing coming up—every five years there is a hearing of necessity sort of thing—for service on the Toronto to North Bay segment of the CNR service.

**Mr. R. S. Smith:** Which is fully subsidized, too.



**Hon. Mr. Snow:** It is subsidized by the federal government.

**Mr. R. S. Smith:** And the ONR's portion isn't.

**Hon. Mr. Snow:** That's totally unfair as far as I'm concerned.

**Mr. R. S. Smith:** Because you never made the application for it until just two years ago. I've been after you for 10 years in the House and in committee to do that and this government would not make the applications. What you have to do is change your railroad to make it interprovincial in order to qualify. Your railroad as it now sits and is now incorporated—

**Hon. Mr. Snow:** Do you think we should run to Manitoba and Quebec?

**Mr. R. S. Smith:** You're running into Quebec now. All you've got to do is put the two companies together and that would make you qualify. For 10 years you could not see putting together—

**Hon. Mr. Snow:** It's not that simple.

**Mr. R. S. Smith:** It really was that simple at one time. It's changed over the past couple of years but it was that simple, and you are subsidized now for that roadbed which runs between the two provinces.

**Hon. Mr. Snow:** We're subsidized on that one little bit of the line that's going into Quebec.

**Mr. R. S. Smith:** That's right. That's owned by Nipissing Central Railway. If the Nipissing Central Railway and the Ontario Northland Railway were one and the same you would then have an interprovincial railway which would qualify for federal subsidies. But you lose a million bucks a year on that deal and you've been doing that for 10 years. That is perhaps where you could have got some of the money to put in some decent services. Anyway we've gone over that often enough.

**Hon. Mr. Snow:** To go back to the other service, we want to work out an arrangement of some kind, whether we buy new equipment or we buy new equipment jointly with the CNR, to run a proper passenger service from Toronto to North Bay.

I met last week with the vice-president of the CNR who is also most interested in this. There is a hearing coming up next year about a possible discontinuance. I don't think they're going to discontinue it but there is a hearing coming up next year for the North Bay-

to-Toronto run. Instead of waiting another year to hold that hearing in 1977 when it's required, we're asking Mr. Lang to hold that hearing now. Presuming that the hearing would probably say that that service should be continued, then we would have six years knowing that service was going to be there. We could then make some proper plans to buy new equipment and get a new passenger service into northeastern Ontario.

**Mr. R. S. Smith:** I would think they would have enough intelligence at that level to allow that service to continue. I don't think there is any question that it will be discontinued, as far as I can see anyway.

**Hon. Mr. Snow:** I don't think there's any question at all. One of the most important rail links in Ontario is the one from Toronto to Cochrane to Kapuskasing.

**Mr. R. S. Smith:** That's right, and I don't think it should be discontinued.

**Hon. Mr. Snow:** It should be continued and it should be upgraded. We're doing everything in our power. We think it's just as important as any other rail link in Canada and that it should receive the same level of federal government subsidy that any other rail service does.

**Mr. R. S. Smith:** That's right. That's a question of corporate structure as well as application of the CRTC regulations, and that's your problem. It's not the CRTC but the other commission. I'd like to ask about the new transportation you talk about. We see all the pictures in the paper every six months about what's coming, besides the ads wishing us a happy New Year, so I won't talk about those things.

Announcements have been made that they are looking at some Turbo type of rail service over that line. Can you or your people tell me if the line from here to Cochrane and into Temagami is of sufficient repair and major use to carry that type of service? I understand that a group from the ONR has travelled in Europe to look at this type of transportation.

**Hon. Mr. Snow:** Some of the members of the commission went to Europe to look at some equipment that was available in Europe—diesel trains. They reported to me on this equipment. I was not able to go. Mr. Gilbert went over with them to report to me on this equipment. In addition to that, there is some Turbo train equipment which is compatible with the CNR Turbo trains that is available or will become available in the United States. These are Turbo trains whose engines or



power units are manufactured in Canada—one of the trains that is manufactured in Canada.

**Mr. R. S. Smith:** Are your roadbed and that of the CNR compatible with the use of that type of equipment?

**Hon. Mr. Snow:** I'll let Mr. Clifford answer that. At certain speeds.

**Mr. R. S. Smith:** Yes, that's what I mean.

**Mr. Clifford:** You've got to take into consideration the curvature of the track. In other words, you're certainly not going to go 120 miles an hour with Turbo equipment from North Bay up to Temagami on the ONR line, or from North Bay to Gravenhurst on the CNR line, because you've got nothing but curves in the 60 miles on both sides of North Bay. But, certainly, it can go on the tracks.

**Mr. R. S. Smith:** It can go on the tracks, but if it is not going to be any faster than what we've got, what's the point?

**Mr. Clifford:** It will move faster than what you've got, but you're not going to hit 120 or 130 miles an hour. We've got certain sections of track where you would be able to crank it up to 95 or 100 miles an hour without any trouble.

**Mr. R. S. Smith:** What would be the time span between here and North Bay with Turbo trains?

**Mr. Clifford:** I think it was 4½ hours, if I recall.

**Mr. R. S. Smith:** That's about bus time.

**Mr. Clifford:** Yes, bus time is over 4½ hours.

**Mr. R. S. Smith:** About the same as bus time.

**Mr. Clifford:** Yes, there wouldn't be very much difference.

**Mr. R. S. Smith:** What about North Bay to Timmins? About the same as bus time, too?

**Mr. Clifford:** Yes, about the same. I think it was nine hours all told from Toronto to Cochrane.

**Mr. R. S. Smith:** I have a couple of other questions; one on your application to run a service over the same routes as the Gray Coach Lines. I understand you have made an application to the provincial board—

**Mr. Clifford:** The Ontario Highway Transport Board?

**Mr. R. S. Smith:** Yes, in order to run your services in Gray Coach area.

**Mr. Clifford:** Yes, we had an application in to operate an exclusive, luxury type of bus service from both North Bay to Toronto and Sudbury to Toronto.

**Mr. R. S. Smith:** On what is now Gray Coach territory. And that hearing is going to be held this week or next week?

**Mr. Clifford:** The hearing was supposed to be held next week, but it has been postponed until some time in September.

**Mr. R. S. Smith:** Has that type of service proved to be economically viable service and has it created a profit?

**Mr. Clifford:** The present sleeper-type bus service from Timmins to Toronto is a viable operation. We looked at the situation between North Bay and Toronto and Sudbury and Toronto. We figured the market was there to provide some kind of a luxury service, with a hostess and food service. It would be able to compete with air service and we could do it at a price something less than half of what the air fare is.

We made the application after advising Gray Coach. They were quite upset with the fact that we were making an application for this. But at a subsequent hearing before the Ontario Highway Transport Board regarding another application of Greyhound and Gray Coach, Gray Coach did say that they would arrange to provide such a service between Sudbury and Toronto starting, I think, June 21. But, anyway, our application has been postponed until September.

**Mr. R. S. Smith:** And your agreement with Gray Coach on North Bay, Timmins, Toronto—

**Mr. Clifford:** Oh, the inter-line agreement. That's still—

**Mr. R. S. Smith:** That's different.

**Mr. Clifford:** That is separate and apart from this other application.

**Mr. R. S. Smith:** Yes, but it might go down the drain if your other application succeeded.

**Mr. Clifford:** It's possible. I don't think it is probable, but it is possible.

**Mr. R. S. Smith:** I also wanted to ask you who went to Europe? That's what I would like to know.



**Mr. Clifford:** There were four of us—four staff members, some commission members and Mr. Gilbert.

**Mr. R. S. Smith:** How many of those staff members have now left on retirement, under this one-year plan?

**Mr. Clifford:** Two of them have gone.

**Mr. R. S. Smith:** Gee, they get a trip to Europe, and then one year's pay. Things are getting better all the time. Could I apply for a job there?

**Mr. Makarchuk:** It beats a gold watch all to hell.

**Mr. Clifford:** I don't want to be out of place, but I'm not too sure that kind of remark is called for.

**Mr. R. S. Smith:** I didn't get a proper answer on the first part.

**Mr. Clifford:** Oh, that's a lot of bloody nonsense, and you know it.

**Hon. Mr. Snow:** They went to Europe on a specific assignment to look at certain railroad equipment. They were the experts and they made their report. I think the fact that they retired a year later has nothing to do with it.

**Mr. Clifford:** These two individuals wouldn't be retired today, I think, if the project had gone ahead.

**Mr. R. S. Smith:** That's right. You're right.

[5:15]

**Mr. Clifford:** Because we would still need them.

**Mr. R. S. Smith:** I fully agree with you. But the project didn't go ahead.

**Mr. Clifford:** The project didn't go ahead.

**Mr. R. S. Smith:** No. And that's part of the reason why they took their retirement.

**Mr. Clifford:** No, not specifically. But if that project had gone ahead those two would still be working.

**Mr. R. S. Smith:** Yes, well you can take that either way. But anyway okay, that's fine.

**Hon. Mr. Snow:** The project did not go ahead because we do not have the ability to make an appropriate decision on going ahead with any project on rail transportation until we can get some things sorted out with the federal government.

**Mr. R. S. Smith:** Yes, I understand that.

**Mr. Makarchuk:** If we were to suggest to them that they switch from airplanes to trains perhaps they might be in the market about now.

**Mr. R. S. Smith:** I have some other things but I think maybe somebody else wants to get in on ONR.

**Mr. Wildman:** I just have a number of short questions. I'd like to have some clarification about who really runs the ONTC. I'd like to know who the commission is responsible to.

**Hon. Mr. Snow:** We've been discussing that all the time.

**Mr. Wildman:** I know, but I still don't seem to be able to say, "All right, the minister is the one who makes the final decision," or does the commission make its decisions? For instance can the minister make a statement that he can give assurances in some employee situation or can't he? I'd just like to have some clarification on that. Is the commission independent of the minister's opinions on disputes that involve employees? Or is the minister responsible finally?

**Hon. Mr. Snow:** I'd have to say on any decision the government would have the final say.

**Mr. Wildman:** So you could overrule the commission's decision?

**Hon. Mr. Snow:** That's perfectly normal with almost any operation. The shareholder has the final say. I mean if the shareholders get unhappy with General Motors' board of directors they can vote them out of office and take over, put in some new ones. I am the shareholder of the ONTC.

**Mr. Wildman:** Good, I'm glad you said that, because I'm not necessarily suggesting that you should turf out people who are on the commission, but I think that perhaps if there is a moral obligation owed to these workers that Mr. Bain and Mr. Smith were discussing perhaps the ministry and your office should be looking at overruling a decision that was made by the commission and taking the responsibility of bringing some equity into the whole situation.

I think that's what both Mr. Smith and Mr. Bain were advocating and I haven't yet heard either from you, as the minister, or from Mr. Clifford any statement that would indicate that the regulations would be disregarded or



changed, so that a moral obligation might be lived up to.

**Hon. Mr. Snow:** This is a matter that came to my attention shortly after I became minister. We've had several discussions on it and there's been a great deal of correspondence I discussed it with members of the commission when I met with them—spent considerable time on it as a matter of fact. But as of this moment I have not overruled the decision of the board.

**Mr. Wildman:** Okay. One other thing you said regarding—

**Hon. Mr. Snow:** I'm not saying I'm totally in favour of the decision of the board.

**Mr. Makarchuk:** Are you saying you cannot or you don't want to?

**Hon. Mr. Snow:** I said that as at this moment I have not taken any action—

**Mr. Makarchuk:** But you could if you wanted to.

**Hon. Mr. Snow:** —to try to convince the board to do otherwise.

**Mr. Makarchuk:** However, you could if you wanted to.

**Hon. Mr. Snow:** Well, I wouldn't—

**Mr. R. S. Smith:** You say in your letter to me, "However, I'm satisfied and see no reason for further action on my part." What is that but a direct indication of support of the decision that's already been made? I can read English; I think I can understand it; I put the two together and it's impossible.

**Mr. Wildman:** That's why I asked the question. That's how I interpret it.

**Mr. Bain:** He is reconsidering it.

**Mr. Wildman:** I think we've been on that long enough but I think it's important that it be emphasized that there is that obligation—at least, many of us feel there is—and it should be looked at again.

The other thing I wanted to pick on was a couple of things you said regarding the CTC hearings and the discussions on the transcontinental runs, tying in the ONR operation, and so on. Am I right in interpreting what you have said as meaning that in your submission to the CTC at the end of June, or whenever you make it, you are going to support North Bay's pitch at the Sudbury hearing for it to be the centre of the eastern Canada operation for the transcontinental

lines between Montreal-Winnipeg-Toronto? Is that correct or am I reading too much into what you said?

**Hon. Mr. Snow:** You may be reading too much. Certainly, I made our views very well known to Mr. Lang at our last meeting—that we want to upgrade the rail service to northeastern Ontario. We pointed out that considerations are under way at the federal level. Mr. Lang has announced a timetable for holding these hearings which are to be completed, I believe, by the end of June and a recommendation will be made.

**Mr. G. H. Johnston:** The report, the findings, will come in July and a preferred plan will be issued in September.

**Hon. Mr. Snow:** Right. In September, there will be a major step taken and an announcement by the end of the year, I believe, on what the final decision of the federal government will be. We have made known our interest in rail transportation in northeastern Ontario and that we feel it should be upgraded considerably between Toronto and North Bay and beyond; and that the federal government should take into consideration our plans and our wishes on that line and relate them to decisions it may be making on other lines.

**Mr. Wildman:** All right. Let's say, hypothetically, that the CTC agreed with that general thrust and with the approach to the North Bay situation, how do you anticipate that will affect places like Capreol and Sudbury and jobs in those areas? What might that do to the Capreol yards and the running trains working out of Capreol, for instance?

**Hon. Mr. Snow:** I don't pretend to be a total expert on all the railroad division points in the north. We're talking about the changing of one train now. There's no doubt that those are still going to be major centres as far as the railroad is concerned.

**Mr. Wildman:** I know that.

**Hon. Mr. Snow:** There probably will still be some need for passenger transportation regardless of which route goes. There are now three major routes in northeastern Ontario. You have the CN to North Bay which we work with. You have the CN to Capreol and the CP to Sudbury. I think Sudbury perhaps will continue to be a major point.

What we would like to see, I think, is that our service going into northeastern Ontario interconnects with the trans-Canada. I'm not saying the CP still won't have a service out



of Toronto, perhaps to Sudbury, interconnecting as well. There may be two interconnecting points, but our service is for people coming down from the north too. We are not only thinking of people going north from Toronto, but people coming south from anywhere north of North Bay on our trains should be able to interconnect with the trans-Canada and go east or west.

**Mr. Wildman:** I think you're correct in what you say about Sudbury but I would like to point out that at that hearing there seemed to be a tremendous amount of apprehension on the part of municipal officials, the unions and other people from Capreol regarding what effect that might have if the chamber of commerce presentation from North Bay were accepted completely by the CTC, and I would hope that that would be taken into account.

**Hon. Mr. Snow:** I am sure the CTC will be taking all these matters into account. I think it's generally recognized by many people that we do not need two trans-Canada trains of the type we're talking about as a high-class, large train. That doesn't mean to say that there's not some improved passenger transportation required on whichever route is not chosen for the trans-Canada.

**Mr. Wildman:** What input does the ONR have into MTC's presentation to the CTC?

**Hon. Mr. Snow:** It's prepared jointly.

**Mr. Clifford:** Our planning and development people do it. Mr. Payne has been working with Mr. Johnston's group on the input as to the presentation by the government.

**Mr. Gilbert:** And they also made their own submission from an informational point of view at the Sudbury hearings.

**Mr. Wildman:** I've seen that. Basically, that just disagreed with some line distances, mileage distances, and suggested that they were willing to co-operate with the CTC.

**Hon. Mr. Snow:** Dr. Burtneck will be making the submission on behalf of the government of Ontario.

**Mr. Gilbert:** But certainly input will be coming in from the ONR as far as the overall is concerned.

**Mr. Wildman:** Can I talk a bit about bus services, then? I'm referring to the passenger service. In the annual report, page 28, it states that gross revenue increased in excess of 17 per cent, and then it talks a bit about

tour revenue and so on. Can we have some idea of what that means in dollars, how the revenue increased and what it means as far as profit and loss is concerned?

**Hon. Mr. Snow:** That's the annual report of the ministry, is it?

**Mr. Wildman:** This is for the ministry, yes.

**Hon. Mr. Snow:** I presume there's an annual report from the ONTC that must give that information.

**Mr. Clifford:** That's not the bus operation is it?

**Mr. Gilbert:** That's of TATO, isn't it?

**Mr. Wildman:** TATO is on page 29. It's a separate item.

**Hon. Mr. Snow:** The details of the operations of the ONTC are in the ONTC annual report.

**Mr. Wildman:** It talks about tour revenue going into the Maritimes, Florida and South Carolina.

**Mr. Clifford:** That's ours.

**Mr. Wildman:** You don't have those figures.

**Mr. Clifford:** I can't give you the actual profit ratio, broken down into the tours and the charters, but we had a profit on our bus operations last year of \$162,000.

**Mr. Wildman:** How does that compare with the previous year?

**Mr. Clifford:** In the previous year we just had a break-even position. I think there was a slight loss in 1974. We're forecasting a profit of \$170,000 this year.

**Mr. Wildman:** I think it says that you have purchased one more 47-passenger bus, is that correct? You bought two buses.

**Mr. Clifford:** We bought two 47-passenger buses and we sold one of our 39-passenger ones.

**Mr. Wildman:** Are most of your buses the larger type or are they small?

**Mr. Clifford:** I guess we've got about 23 buses now. I think there are seven of the 39-passenger buses; the rest are 47 passenger.

**Mr. Wildman:** What kind of average passenger level do you have on those buses? Can you give me that overall and then maybe we could talk about some specific routes?



**Mr. Clifford:** About 20 to 23 passengers per trip but it varies depending on the route. Take the route we have from, say, Timmins over to Wawa and Sault Ste. Marie—

**Mr. Wildman:** That's what I want to talk about.

**Mr. Clifford:** The only time we meet operating expenses there is in the good summer months. The rest of the time that is not meeting its operating expenses.

[5:30]

**Mr. Wildman:** Do you have any idea of how often that bus from the Soo to Wawa, for instance, runs empty?

**Mr. Clifford:** We get a record on it on a daily basis; we get trip reports in, I don't personally see them myself, but I don't think it operates empty at any time.

**Mr. Wildman:** Wawa, of course, is in my riding. I'll tell you I travelled from Wawa to the Soo one Sunday morning, a very pleasant ride, with my wife and I as the only passengers on the bus.

**Hon. Mr. Snow:** Well, it wasn't empty then!

**Mr. Wildman:** It was very convenient for me and a very pleasant ride—a beautiful day and the most beautiful scenery in eastern Canada to travel through. But I just wondered whether that was an unusual situation or just a Sunday thing?

**Mr. Clifford:** No, I would say that is unusual. It is not one of our most lucrative runs, the Soo-Wawa, Wawa-Timmins route.

**Mr. Wildman:** Is the Wawa-to-Timmins run better? Do you get more passengers from Wawa to Timmins than you do from Wawa to the Soo?

**Mr. Clifford:** No, actually we provide a twice-daily service between Wawa and the Soo. One is a through bus from Sault Ste. Marie to Timmins and the other is just a local run from Wawa to the Soo. It's basically to service people in Wawa—to get them down in the morning, let them have the day in the Soo and then come back at night. This was a service established by the company which we bought out, and we have continued to provide that kind of local service for the residents of Wawa.

**Mr. Wildman:** So basically what you are saying is that that run operates probably at a lower rate than most of your runs?

**Mr. Clifford:** Yes. There is that run and there is a run we have from New Liskeard into Elk Lake; those are two of our lighter operations.

**Mr. Wildman:** What is your most lucrative run then?

**Mr. Clifford:** North Bay to Timmins is the busiest.

**Mr. Wildman:** That's what I would have thought.

**Mr. Clifford:** And there are three or four scheduled runs a day in there and some of them are more lucrative than others.

**Mr. Wildman:** I don't think I'll go on any longer. I know Mr. Reid wants to come in here so I'll let him have the floor.

**Mr. Reid:** Mr. Chairman, I want to—

**Hon. Mr. Snow:** You have been most patient, Pat.

**Mr. Reid:** I have indeed. It's not like me, Jim, is it? I want to speak about the norOntair and—

**Mr. Wildman:** That's another vote.

**Mr. Reid:** Mr. Gilbert mentioned that the deficit for—I thought he said norOntair was under this.

**Hon. Mr. Snow:** That is in 2406.

**Mr. Wildman:** If that's the case, I have some questions on norOntair.

**Hon. Mr. Snow:** We are trying to deal with vote 2405, item 2 at this moment, which is operations of the rail services.

**Mr. Reid:** Well, that's fine. Maybe I misunderstood Mr. Gilbert.

**Mr. Gilbert:** I was referring to the number of items that we pay subsidies on through our ministry.

**Mr. Reid:** So we are talking about norOntair under 2406.

I just have a question then under planning and development. Would that come under this? The new terminal in Toronto?

**Mr. Clifford:** Under which vote is that, Mr. Reid?

**Hon. Mr. Snow:** That's TATO. We decided to leave TATO and deal with the ONTC while we had the ONTC people here.

**Mr. Reid:** Well, the pre-design and property search for the new Toronto terminal for



Ontario Northland transport services. Does that not come under this vote either?

**Hon. Mr. Snow:** It's really not in this vote—

**Mr. Clifford:** It's really not in this vote, but it's something I can answer.

**Mr. Reid:** I just wondered what that is going to cost the generous taxpayers. Have you found a site for it? Is this going to be the terminal for Star Transfer and the bus company and—

**Mr. Clifford:** No, it is just a new terminal for Star Transfer.

**Mr. Reid:** I see, and have you found a site and how much is it?

**Mr. Clifford:** We have an option on some property. I think the net capital cost—when I say the net capital cost, that is the property and the building less what we anticipate what we can get for our old property—it's about \$2.5 million. But that hasn't come into our budget as yet.

**Mr. Reid:** When are we looking at this? When is this going to take place?

**Mr. Clifford:** We haven't got anything in our 1976 capital budget for a terminal in Toronto. I assume it will be in our 1977 projected capital budget.

**Mr. Reid:** It is my understanding and recollection that you need more space; is that essentially right?

**Mr. Clifford:** Yes.

**Mr. Reid:** As a matter of interest, with the freight rates frozen as I understand it for Star, at least being held down, how are we going to pay for this? Is it going to be—

**Mr. Clifford:** The freight rates aren't frozen for Star Transfer.

**Mr. Gilbert:** I think you are going back to your public accounts.

**Mr. Reid:** That's the trouble with being around here too much. You confuse yourself with facts.

**Mr. Clifford:** The freight rates aren't frozen insofar as Star Transfer is concerned. The rates for Star Transfer are in line with the trucking industry rates in Ontario today.

**Mr. Reid:** How are we going to pay for this terminal? Are we going to increase the rates to make it pay?

**Mr. Clifford:** We will be increasing the rates when the rest of the trucking industry does.

**Mr. Reid:** Otherwise you will count it as part of your operating deficit or capital deficit?

**Mr. Clifford:** Until last year Star didn't have an operating deficit.

**Mr. Reid:** You mean that since Mr. Jessiman left, we've started running a deficit?

**Mr. Clifford:** Star was affected adversely last year, just like the rail end of it was, with the strikes in northern Ontario. Basically, Star has been operating at a profit over most of the years.

**Mr. Reid:** I have one further question, Mr. Chairman, if I may. The only thing I ever agreed on with Mr. Jessiman was when he tried to extend—if that is the word—the operations of Ontario Northland into northwestern Ontario. Has there been any further consideration given to that? I realize it's a fairly large operation and that there are already problems but we, too, have problems of transportation in northwestern Ontario. Has any consideration been given to that situation?

**Hon. Mr. Snow:** Which aspect? We are in the northwest with norOntair but that is all.

**Mr. Reid:** Yes. I am going on to say nice things about that.

**Mr. Clifford:** Are you talking about trucking?

**Mr. Reid:** Yes, primarily; certainly not rail.

**Hon. Mr. Snow:** We are not giving any consideration to that at this time.

**Mr. Reid:** I would also throw in rail because with the communities of Pickle Lake coming onstream and the mines—Umex mines in that area, Matabi mines—Lake St. Joe, is any consideration being given to running a rail line there under the auspices of MTC or Ontario Northland?

I understand that some of the mining companies have been to the Ontario government asking for assistance on transportation costs and perhaps a rail line north of Ignace to handle the ore which is going to come out of the north. I take it that hasn't come to the attention of the Ontario Northland?

**Mr. Gilbert:** A few years ago we looked at that as one of the possibilities when we were talking to the CN and the CP. I think your people—



**Mr. Clifford:** Our planning development people were in on that.

**Mr. Gilbert:** One of the problems, of course, from the ONTC point of view was that that would be almost an isolated piece of rail going in there. Quite frankly, I think the discussions, as far as a rail line in that area right now is concerned, are almost dead, aren't they? I don't think they are too active.

**Mr. Reid:** If anything is to be done, it is to be done among CN, CP and the companies involved, and the government will have no involvement?

**Mr. G. H. Johnston:** There was funding for some work done on a feasibility plan, looking at possible locations. Recently there hasn't been an awful lot of activity at the Lake St. Joe area—in development of it, I believe CP or someone has taken over some of the controlling rights but I don't know what the situation is right now with regard to the industrial initiative to develop the area.

**Mr. Reid:** I want to clarify that: As far as the Ontario government is concerned, it is not going to get involved on that kind of basis?

**Hon. Mr. Snow:** It has never been suggested to me, anyway, that we should. For us to be involved in running, say, a development—

**Mr. Reid:** Or a spur line.

**Hon. Mr. Snow:** —or a spur line like that so far from our own operations would be a bastard operation away off by itself. The other railroads would be in a much better position to supply that type of service.

**Mr. Reid:** Okay, thank you.

**Mr. Makarchuk:** At this time, Mr. Chairman, I'm not interested in the Ontario Northland. I'll stand down and you can just keep me on the list—and let the people who wish to deal with Ontario Northland to proceed with that.

**Mr. Reid:** I wonder, in that case, does marine services come under this vote?

**Mr. Clifford:** Yes.

**Hon. Mr. Snow:** That makes a profit.

**Mr. Reid:** Gee, I'm sorry, I didn't mean to ask about something good. In your annual report, they mention that—

**Mr. Makarchuk:** That's public enterprise?

**Mr. Reid:** You're talking about the Chi-Cheemaun. It says, "Despite difficulties, nearly 120,000 persons were carried during the season." I recall some of those difficulties. Are we talking about startup difficulties and machinery difficulties? Are we, in fact, operating that particular enterprise at a profit?

**Hon. Mr. Snow:** The forecast this year for the Tobermory ferry, that's the Chi-Cheemaun, is to be a profit of \$432,000.

**Mr. Reid:** On what investment?

**Hon. Mr. Snow:** If you take into consideration the investment, there is no profit. But the government bought the ferry and turned it over to the ONTC for operations. As far as the operations are concerned, the forecast profit for this year is \$432,000.

**Mr. Reid:** On an operating basis. It's always very interesting to get your definition of profit.

**Hon. Mr. Snow:** All right, in my definition it's not making a profit, but it is from an operating standpoint for the Ontario Northland.

**Mr. Reid:** We're carrying the deficit of the capital cost, basically. What were the difficulties that are referred to? It's strange we don't often see such as admission in government reports. What were the difficulties?

**Mr. Clifford:** It wasn't really the startup, sir. We ran into difficulties in the engines. I think last year, in total, we lost about seven round trips in the whole season, which was about a 97 per cent operating ratio. We ran 97 per cent of the trips. I don't think we were out of service more than one full day at a time—but those problems were finally resolved. We had to end up getting the diesel manufacturers over from Britain.

**Mr. Reid:** I won't prolong this. What was the original capital cost?

**Mr. Gilbert:** Around \$8 million, I think.

**Mr. Clifford:** It was \$8 million for the ship.

**Mr. R. S. Smith:** You had costs at both ends though, too?

**Mr. Gilbert:** Yes, there were the docking costs. We put in two new docks and the federal government paid, I think, about \$2.5 million—but that wasn't enough to cover the cost. Originally, they were going to be looking at the docking costs and we were going to be supplying the ferry, but in order to get it going we ended up accepting a lump sum



—and they ran into quite a few odd difficulties.

**Mr. R. S. Smith:** What was the operational profit or loss of the Chief Commanda on the North Bay run?

**Mr. Clifford:** The Chief Commanda's loss last year included the write-off of the old Chief of about \$85,000. There was \$85,000 on the books for it, and we had a lot of problems with the Chief in the operating and the startup costs. This year we are anticipating a break-even position on it.

**Mr. R. S. Smith:** But your rates are rather high.

**Mr. Clifford:** It could be argued either way. I know some people think the rates are high and—

**Mr. R. S. Smith:** They're not high from a single point of view, but they are from a family point of view. If you've got any kind of family at all and you want to go on that Chief Commanda for a day, it's half a hundred dollars. That certainly precludes a lot of people. I think I asked the commission at one point last year to look at those rates for a family.

**Mr. Clifford:** We haven't got the family fare in this year, but I'll check on it anyway.

**Mr. R. S. Smith:** It really is out of the reach of most people. I don't know why ordinary taxpayers should have to subsidize it and not be able to use it.

[5:45]

**Mr. Reid:** That leads to another question. How many people are using it on a per-trip basis? Getting at the economics, it is cheaper to lower the rates and get twice as many people and do better? Is it being fully utilized?

**Mr. Clifford:** Are you talking about the Chief Commanda now?

**Mr. Reid:** Yes.

**Mr. Clifford:** We try to utilize it as fully as possible. We had to put up the capital for it and we are trying to make it a paying and viable operation. We operate daily trips during the summer. We've operated evening trips. We charter the boat quite exclusively: there are lots of charters. At this particular time of the year, we have all kinds of school groups making trips on the Chief. Groups from Sudbury, Sturgeon Falls and even up around New Liskeard and tri-town area come down

to take a trip on the Chief. We hope to make it a viable operation.

**Mr. Gilbert:** Just to set the record straight, Mr. Reid, there are no funds in here for the Chief Commanda. The funds in here for ferry services are for the Chi-Cheemaun.

**Mr. Lane:** Mr. Reid and Mr. Smith have received the answers to some of the questions I was going to ask. I would first like to congratulate the minister and Mr. Clifford not only on the type of boat you acquired and the type of dock facilities you supplied but also on the type of service you run. After about 15 years of trying to get something in the line of decent service, we finally have something we can all be proud of.

Either the minister or Mr. Clifford or one of the employees told me last year that if it hadn't been for the two breakdowns we had, we would have had a break-even type of operation last year. I am glad to hear the minister say he hopes to make a profit on the operation this year, not considering that we have a large capital expenditure. However, I would point out to Mr. Reid and others that for many years there was a very heavy subsidy. I guess it was a federal government subsidy but it was still taxpayers' dollars that went into that service and it was a hell of a poor service. Certainly things have improved greatly.

**Hon. Mr. Snow:** It's providing a transportation link covering quite a number of miles. It has an operating cost which is being paid for by the users and, as we say, we anticipate this year it will show a profit on the operations. You have to compare the capital cost of putting it in place with the capital cost of building a road across there if there had been land to build it on.

**Mr. Lane:** If we look at both transportation systems by water, we're never making any money as a rule. We are just supplying a service that probably makes money at both ends of the line, in this case on Manitoulin and in the Owen Sound peninsula area there. I certainly have no complaints at all, I just wanted to get some information.

**Mr. Clifford:** Mr. Lane, did you get resolved to your satisfaction the question of reservations on the boat?

**Mr. Lane:** No, this is one of the questions I am going to ask you. Last year to my knowledge we were able to reserve space on the boat at Espanola and South Baymouth. I wrote you and discussed with you on the telephone the need for that service in Gore



Bay. You indicated in your letter to me that we didn't need that type of service. With the price of gasoline now, and since Gore Bay to South Baymouth is 100 miles, it doesn't make much sense to drive 100 miles to make reservations on a ferry that you should be able to make someplace else.

**Mr. Clifford:** I think we had a subsequent discussion on that. I have asked our people to look at it again. Has anyone been back to you in the last two weeks?

**Mr. Lane:** No. The way I look at it is you thought it wasn't needed. If it is not needed, we are not going to pay any commission to these people. If it is needed, then we're going to serve the public better. The way it was last year anybody from Gore Bay and West Point, which was even worse than that, made a 100-mile trip to make a reservation to go on a boat trip some day in the future, and it was pretty damned expensive. I appreciate that you are going to have another look at that.

The other thing I am concerned about, and maybe you will give me some figures here, is it seemed to me that on the old system we were moving about 100,000 people a year. What did we move last year?

**Mr. Clifford:** I have that information here.

**Mr. Lane:** Just approximately, it doesn't have to be exact. I just wondered how we're doing.

**Mr. Clifford:** Last year we handled 225,000 passengers as against 116,000 the year previous.

**Mr. Lane:** We doubled that first year in operation.

**Mr. Clifford:** We handled 60,000 automobiles last year as against 35,000 in 1974.

**Mr. Lane:** Last year, we had not quite doubled.

**Mr. Clifford:** We handled 7,000 trailers last year and 3,000 in 1974. Trucks, 4,500 last year and 270 in 1974.

**Mr. Lane:** It's interesting to know because I remember when I went down to see Mr. Carton with a delegation of about 25 people to ask him to improve the situation. I told him that in the first year it operated on a full season basis, and we would double the usage. We just about did that and I'm pleased to know that my predictions weren't that far wrong at that point in time.

[The other thing that concerns me, of course, is that while we're doing a tremendous job from May 1 or the last day of April to the first day of November, we still have need of a method of transportation in the off season, so to speak. I would suspect that none of us would think that the present boat would be a suitable boat for running at a time when we have not to many people wanting to cross but there is still a need.]

[Again, via the grapevine, I've heard it said that some way down the road, we are looking at the possibility of a year-round service, probably, or an extended service with a second boat. Is it wrong to ask you whether or not there is any truth in that prediction or is it too early to know? I know we experimented with—

**Mr. Clifford:** To my knowledge, there isn't any truth in it, Mr. Lane. I don't know.

**Mr. Lane:** There were several items in the local newspaper last fall saying that certain people had said that a new craft was being looked at—a smaller craft able to buck the ice and so forth and provide a year-round service.

**Mr. Gilbert:** I read that, too, but, quite frankly, we haven't done any serious thinking about it.

**Mr. Lane:** I've been telling people that we're experimenting with what we have, to see what its capacity is and how much mileage we can get out of it before we make any large expenditures.

**Mr. Gilbert:** That's right.

**Mr. Reid:** That was just before the election when you read about that.

**Mr. Lane:** No, I think it was around Christmas time, to be frank with you, when I saw it in the paper.

**Mr. R. S. Smith:** A Christmas present.

**Mr. Lane:** In any case, I didn't quite believe it because I had never heard anything about it. I hadn't even suggested it to you people.

**Hon. Mr. Snow:** I never heard anything about it either.

**Mr. Lane:** At some time down the road, of course, we're going to have to look at an extended service because getting to Manitoulin Island from May until November doesn't cover the total need. While I appreciate that this is a tremendous improvement over what we had previously, at some time we



are still going to have to look at a service which will provide for fewer people travelling, a cheaper cost of operation yet on a longer basis.

The other thing I would like clarification on is that until we got involved with this ship I believe it was the responsibility of the federal government to keep up the docks and supply the subsidy; was that not the case? Isn't the federal government still responsible for the docks even though we built them?

**Mr. Gilbert:** They still hold title to the docks. We have had some discussion with them because they would like to transfer the title but, quite frankly, we have stated that with the transfer of title there should be some compensation going to the province. Although the docks are in very good shape right now over the years they are going to require maintenance and I don't think it would be responsible to just transfer it like that.

**Mr. Lane:** As I recall the discussion—I was with Mr. Carton in Ottawa and we met the federal Minister of Transport at that time—I know this was our concern at that time. We didn't want to get into the dock business because it always had been a federal responsibility. I know Mr. Carton said to Mr. Jamieson, "Not for a second. The big problem is the cost." No, as a matter of fact, it went the other way around, Mr. Jamieson said, "We can't resolve it today because the costs are going up on a daily basis and we haven't had a costing of it in recent months." Mr. Carton agreed. He said, "I couldn't agree more but there is another problem, too. The second problem is we don't really want nor do we think we should get involved in the operation or the maintenance of docks." So he said, "Mr. Minister, you take the second problem, which is the maintenance of the docks, and we'll take the other problem which is the increased cost."

I would hope that's still the same and they still have that responsibility. As you say, if they're not going to keep that responsibility there should be some money coming our way.

**Mr. Gilbert:** That's right.

**Mr. Lane:** Mr. Chairman, I do have some further questions but I think they come under the next vote regarding air service. Thank you very much.

**Mr. Deputy Chairman:** That's all the speakers we have under this vote.

**Mr. Wildman:** Could I ask one question just before we finish?

**Mr. Deputy Chairman:** Yes.

**Mr. Wildman:** In the transfer payments, \$3 million—almost \$4 million—can you give me some idea of what those are going to?

**Hon. Mr. Snow:** You mean the—

**Mr. Wildman:** Operations.

**Hon. Mr. Snow:** That's the estimated loss on the rail passenger service of \$4,285,000, less the profit on the ferry of \$432,000, which leaves the net transfer payment of \$3,853,000.

**Mr. Wildman:** What about the bus then? You said you were expecting a profit in that area or are you?

**Mr. Clifford:** The bus isn't part of the subsidized operation.

**Hon. Mr. Snow:** There is nothing in this vote, dollar-wise, for any of the operations other than the rail passenger service.

**Mr. Wildman:** Okay. Just one other short question. Earlier when you were talking about the buses, you said you had purchased two 47-passenger buses and sold one 39-passenger bus, and one of your officials here stated that you had an average user rate of 23 passengers. Is that right?

**Mr. Clifford:** Yes.

**Mr. Wildman:** Can you explain why you're buying 47-passenger buses when—

**Mr. Reid:** That's an average.

**Mr. Wildman:** Yes, I know, but are these on runs to Timmins and that area? Is that where you are using them?

**Mr. Clifford:** The small 39-passenger bus—when I say small, that's the smallest inter-city bus—is on the Timmins to Wawa run and Wawa to Sault Ste. Marie and it's also on the Timmins-Sudbury run. The larger buses are on the North Bay to Timmins route and are also used for charter and tour work.

**Mr. Deputy Chairman:** Would the committee consider voting on vote 2405, item 2, divided into (a) and (b) and vote on Ontario Northland Transportation Commission, \$3,853,000, and then we're through?

Item 2 carried.

**Mr. Deputy Chairman:** We may as well adjourn now and we'll start back at 8 p.m.

**Hon. Mr. Snow:** I might just ask before we go, does anyone anticipate how long we will



be on the ONTC? What staff should I have here after supper?

**Mr. Makarchuk:** I think we carried ONTC.

**Mr. Reid:** No, not on norOntair.

**Hon. Mr. Snow:** There is norOntair yet and a little bit in 2409 on communications.

**Mr. Reid:** Why not just have those people here?

**Mr. Gilbert:** We can have the provincial transit too, TATO, here as well.

**Mr. Wildman:** We should be able to handle those—

**Hon. Mr. Snow:** I don't imagine you're going to spend much time on the air programme.

**Mr. Reid:** Oh yes. I want to talk about each and every passenger. No, we'll probably get through that—

**Mr. Clifford:** Mr. Reid has some questions he wants to ask us.

**Mr. Reid:** Yes.

**Mr. Wildman:** I have some questions on norOntair as well.

**Mr. Reid:** I would presume we would probably be finished the norOntair business by 9 o'clock, so, whatever you want to do after that—

**Mr. Clifford:** That's all on those two votes too.

**Mr. Reid:** Fine.

The committee recessed at 6 p.m.



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 Snow, Hon. J. W.; Minister of Transportation and Communications (Oakville PC)  
 Wildman, B. (Algoma NDP)  
 Williams, J. (Orillia PC)

**Ministry of Transportation and Communications officials taking part:**

Clifford, S., General Manager, Ontario Northland Transportation Commission  
 Gilbert, H. F., Deputy Minister  
 Johnston, G. H., Executive Director, Planning Division









# Legislature of Ontario Debates

**SUPPLY COMMITTEE—1**  
**ESTIMATES, MINISTRY OF**  
**TRANSPORTATION AND**  
**COMMUNICATIONS**

OFFICIAL REPORT — DAILY EDITION

Third Session of the 30th Parliament

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**Monday, June 7, 1976**

Evening Session

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Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

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## LEGISLATURE OF ONTARIO

### SUPPLY COMMITTEE

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MONDAY, JUNE 7, 1976

The committee resumed at 8:08 p.m. in committee room No. 1.

#### ESTIMATES, MINISTRY OF TRANSPORTATION AND COMMUNICATIONS (continued)

On vote 2406:

**Mr. Chairman:** We are on vote 2406 and we'll take items 1, 2 and 3 and deal with the three of them in one vote, if you agree. Mr. Wildman is first.

**Mr. Wildman:** In talking about the air services under norOntair, I can see in the annual report of the ministry that 1974 was considered a successful year of growth for Ontario Northland's local and feeder air service, norOntair. During the year over 27,000 persons were carried by norOntair, which constituted an 86 per cent growth over 1973. I would like to refer back to what Mr. Philip said in the leadoff that one mode of transportation can't be considered in a vacuum and that if we're looking at an intermodal transportation system in this province, we have to consider air transportation as one mode and consider it as one in relation to the others. Having said that, I think that most northern Ontario members would consider the service given by norOntario a useful one and one that has been good for many communities and has certainly provided a service that wasn't there before.

I'm a little concerned by a press report I read recently—I think it was in a number of papers but I got it out of Sault Star—where Donald Wallace, director of air and marine services for the Ontario Northland Transportation Commission, stated a number of things that I would like to deal with and have some response to.

For one, he said that governments and big business account for 85 per cent of norOntair's passengers in the north. I would like to know, if that is the case, is that really serving the communities as best they might be served? Certainly it is useful to be able to have government officials travel into small

communities. And also it's useful, I suppose, for businessmen to travel from Toronto by Air Canada or Transair, whatever line, and be able to hook up with norOntair and fly into small communities. But if 85 per cent of the passengers are these types, only 15 per cent would be people who live in those communities.

**Hon. Mr. Snow:** That would be right; because 85 and 15 used to make 100 when I went to school.

**Mr. Wildman:** That was before new math, of course. But I think that I'd just like to know if that's really considered by the ministry and by Ontario Northland to be the kind of service that Ontario Northland's air service should be providing. Is it only to serve, or mainly to serve, government officials and businessmen from southern Ontario?

**Hon. Mr. Snow:** The service is there. The service is supplied into the various communities in northeastern and northwestern Ontario. Of course the service is there to be used by all those who wish to use it.

**Mr. Wildman:** If that's the case, has Ontario Northland done any studies to find out why there is such a preponderance of those types of passengers, as opposed to people living in the communities who are served by the service?

**Mr. Clifford:** People in the communities who are business people are travelling as well. I'm not too sure if the words "big business" was the actual quotation. Was it big business?

**Mr. Wildman:** It's not an actual quote. This is a report by Canadian Press with a Toronto dateline. It is certainly understandable that people are misquoted, but what it says is that "Mr. Wallace suggested that governments and big business, which account for 85 per cent of the norOntair's passengers in the north"—and so on. He goes on, but that's main quote.

**Mr. Reid:** Well, maybe we could ask if that's an accurate quote to begin with, and



what it's based on. That might help the situation somewhat.

**Mr. Clifford:** I don't know if it was an actual quote or not, Mr. Reid.

**Mr. Reid:** Is Mr. Wallace here?

**Mr. Clifford:** No. That particular article was taken from a talk he gave to some group here in Toronto about six weeks ago, I believe. It was only part of a speech he made.

**Mr. Wildman:** I realize that. And there is a number of other—

**Mr. Reid:** Do you feel that quote is accurate at 85 per cent?

**Mr. Clifford:** I think 85 per cent are business people, period. I think that is a fair enough quote. If you want to include government and business as one, yes.

**Mr. Wildman:** I don't deny it's important for government people and big business people to fly into small communities, I'm just wondering, at 85 per cent, if that is the kind of service that you anticipated when you went into the norOntair service? Is that really what it mainly should be serving? Or should it be serving other kinds of people as well?

**Hon. Mr. Snow:** Well, it is serving other kinds of people as well.

**Mr. Wildman:** Okay, then can I have an answer to my question? Have you done any studies to find out why there aren't more of these other kinds of people using it? Is it the price of the fare?

**Mr. McCabe:** My name is Ed McCabe; I'm with the project planning branch of the ministry. I really don't have too much to say, except for one comment. When we first started setting up the norOntair plant, it was in support of the objectives set by TEIGA to set up growth centres in northern Ontario. Naturally, we were trying to stimulate economic growth, so the fact that we are getting business people making trips is an indication that we are achieving that objective.

**Mr. Wildman:** You would consider then that it is serving the objectives for which it was set up?

**Mr. Gilbert:** Excuse me one second, Mr. Wildman. When you say the objectives—why it was set up—I think Mr. McCabe said this was one of the objectives. But this doesn't say that other people cannot use the air service.

You mentioned very early in your remarks about other modes of travel. Certainly, I

think in the case of a businessman, his choice isn't the same as it is for some other people who don't have the same urgency to go from A to B. Perhaps they would choose one of the other travel modes—either their car or a bus, as two alternatives that come to mind. There are trains, obviously, in many areas trains are not being used. But I would think that the businessmen are using this primarily because of having to go from point A to point B with more urgency than perhaps some of the other people.

**Mr. Wildman:** Don't get me wrong, I'm not criticizing the fact that businessmen are using it. I think it is a good thing. But—

**Hon. Mr. Snow:** You sure gave me the wrong impression.

**Mr. Wildman:** What I am concerned about is that perhaps there might be other people who would like to use it who are not and there is a possibility they are using the other modes. What I was asking is have you done any studies to find out why they are not using it more?

**Mr. Gilbert:** We are continually monitoring these for service. After all, this service has been in position for the last three or four years and some of them have been in position for less than a year. But we are starting a study in which we are asking the types of questions that you are raising. It's through experience you start to learn this.

Quite frankly, I have to say that I think we will find that the major reason why the predominant number of people using it are businessmen is because of their ability to get into these areas, or businessmen in that community being able to fly out into Sudbury or the Soo.

**Mr. Wildman:** I would hope that if you are doing these kind of studies and monitoring part of it will be—and I am sure it will be—the study of schedules and cost of fares, because I think they may have some relevance in determining why one type of passenger is using it as opposed to another. For instance, the problems that might have arisen out of the schedule that was proposed for Elliot Lake. There was a tremendous amount of protest from the local community until the schedule was changed; it would have been completely ridiculous. I am glad to see that Ontario Northland changed that schedule because of the local community's complaints. Right now, as far as Wawa is concerned—

**Mr. Reid:** That's a switch. In my area they have done exactly the opposite.



**Mr. Wildman:** At Wawa, for instance, they have changed the schedule there and it is not quite as bad as it was going to be. Last spring they said they were going to continue the winter schedule through the summer. They have changed that. But it still seems to be a better schedule for people who are flying into the Soo from Toronto or from wherever and then from the Soo to Wawa, rather than for people who perhaps might want to fly down to the Soo for the day and shop and then go back or whatever.

I think schedules are important and it's something that should be looked at. I have had correspondence from Ontario Northland which said they are attempting to get the schedules to hook in with other air schedules and to serve the public well. I'm sure they are, but I would hope they would continue to try and improve them.

I would also hope, since the service is being subsidized, that fares might be looked at and perhaps if they are too expensive for some of the local people they might be lowered—or at least I hope they don't climb any higher.

**Hon. Mr. Snow:** I can't give you that guarantee.

**An hon. member:** Do you think we should subsidize—

**Mr. Wildman:** I would like the whole thing owned by the government since we are paying for it, but since this government sees it as operating this way then perhaps we—There are a couple of other things in this speech that I found interesting. Again it is not a direct quote so maybe Mr. Wallace wasn't quoted completely correctly, but at one point he said, apparently, that small towns can't afford the cost of airports. I am quoting from the Canadian Press story:

Many small isolated towns in northern Ontario can't afford the cost of their airports served by the province's norOntair air system, says an official of Ontario Northland Transportation Commission. Donald Wallace, director of air and marine services of the commission, said it costs towns such as Kirkland Lake, Wawa, Atikokan, Elliot Lake, Chapleau and Pickle Lake about \$25,000 a year each to run their newly built airports.

**Hon. Mr. Snow:** What places were they again?

**Mr. Wildman:** Kirkland Lake, Wawa, Atikokan, Elliot Lake, Chapleau and Pickle Lake.

**Hon. Mr. Snow:** Is Pickle Lake not a remote airport?

**Mr. McCabe:** It's 100 per cent MTC.

**Hon. Mr. Snow:** That's what I was going to say. Pickle Lake is 100 per cent provincial subsidy.

[8:15]

**Mr. Wildman:** Then he must have been incorrect here. I know that certainly in places like Elliot Lake and Wawa, of which I have more experience, the municipalities do find it a big cost to have to maintain these airports especially as, as Mr. Wallace stated, the federal Ministry of Transport, in the interest of safety, is continually upgrading its minimum safety requirements which means having to install new equipment or at least look at installing new equipment. We can't argue with safety, certainly, but—

**Hon. Mr. Snow:** Who is doing this?

**Mr. Wildman:** He said it's the MOT, the federal ministry. He suggested that these communities should be trying to get government and big business—the term used in the story—to help pay the running costs of the airports. He points out that the 16 airports in northern Ontario served by norOntair should be equipped with microwave instrument landing systems. Each costs approximately \$60,000.

If that is the case, obviously a small community cannot look at \$60,000 for a microwave landing system.

He says that right now norOntair has to cancel one in 20 flights because pilots aren't risk landing at some of the smaller airports in bad weather. He says if this kind of equipment were introduced they would be able to fly most of those flights. Is that right? Should they be installing this kind of equipment and, if so, what kind of money is the government willing to put up to help these small communities install that kind of equipment?

**Hon. Mr. Snow:** No matter how much equipment you put in at airports or in the aircraft there are always people who will say you should have more. Most of these airports, as I understand it, are served by the non-directional beacon as their basic landing aid. With a non-directional beacon, properly placed, you can make a very good and accurate approach but your minimums will not be as low as they would be with more sophisticated landing equipment.

With more sophisticated equipment both on the ground and in the aircraft you will be able to get lower minimums; in other words with this equipment you would be able to land perhaps with a ceiling 200 ft or



300 ft lower than you would using a non-directional beacon.

There is no doubt that there would be some flights when they cannot land because the cloud base or ceiling would be in that very close range between the two minimums. If it gets below that, no matter what equipment you have you can't land. They can't land at Toronto International lots of times.

**Mr. Wildman:** Considering the kind of weather we have in the wintertime in northern Ontario it would seem to be a good idea if we could increase the number of flights flown rather than cancelled by installing this kind of equipment. It would be a good thing but obviously, if it is going to be left to the local community, the cost is prohibitive.

**Hon. Mr. Snow:** I think if any such equipment goes in to the norOntair system it would have to be put in by the government.

**Mr. Wildman:** Apparently it would cost about \$3,000 per aircraft to install the instruments used in this kind of system. That is not really that unreasonable and that would be covered by norOntair, wouldn't it?

**Hon. Mr. Snow:** It sounds like a very low figure to me.

**Mr. Wildman:** Is that right or wrong?

**Mr. G. H. Johnston:** I was going to mention there is a subsidy programme available within the ministry for assisting these municipalities with the installation of these air navigation aids and so on.

**Mr. Wildman:** What percentage?

**Mr. G. H. Johnston:** Up to 80 per cent subsidy.

**Mr. Wildman:** Would that subsidy also cover the Elliot Lake airport? NorOntair has just started going to Elliot Lake. I understand they don't have a water system at Elliot Lake. There is no water at the airport. I wonder if we might be able to have washrooms at the Elliot Lake airport; if we do, how would they operate if there is no water there? Would that kind of subsidy help the municipality of Elliot Lake to upgrade its airport?

**Mr. McCabe:** Yes, we have funds for Elliot Lake this year. I'm not sure what the items are but I know we spent some \$45,000 last year getting it up to standard for use for norOntair and we are continuing to spend money towards that.

**Hon. Mr. Snow:** There is \$10,000 in the estimates this year for Elliot Lake. I don't know exactly what for.

**Mr. Wildman:** Will that mean installation of water for Elliot Lake?

**Hon. Mr. Snow:** I don't have that detail, but I know we have \$10,000 for Elliot Lake.

**Mr. G. H. Johnston:** There is a book published by the ministry available for all municipalities which indicates all the items that are eligible for subsidy and those that are not and what the subsidy rate is on the items. Basically, the essential items are the 80 per centers; those that are sort of frills or sundry things are on a 50 per cent basis.

**Mr. Laughren:** Would you consider water to be a basic or a frill?

**Mr. G. H. Johnston:** It's not identified as a specific item in here.

**Mr. R. S. Smith:** Why is it not considered basic?

**Mr. Reid:** It depends on how long you have to wait between flights.

**Mr. Bain:** I don't know whether or not you're aware, but Reeve Harry Dann of Wawa, who is well known for his support of government programmes in the past, said he feels that the norOntair service in the new airport at Wawa is a mixed blessing. The cost to the municipality to maintain the airport has been a very serious addition to their budget.

**Mr. Reid:** Do they not get support from the federal government for that?

**Mr. Wildman:** Apparently not for municipal airports.

**Hon. Mr. Snow:** The federal government does not support municipal airports for maintenance.

**Mr. Reid:** Not for maintenance but for original capital costs.

**Mr. Wildman:** No, I'm not talking about that. They had aid from the governments for that. I'm talking about the maintenance costs for the airport, the ploughing, the maintenance for the runway and the terminal facilities and so forth.

**Mr. Reid:** Do they want the airport taken out?

**Mr. Wildman:** No, they want the airport. They want lower fares; they want better



schedules; they want more aid for maintenance costs. I'm just wondering if the government will give it.

**Mr. Reid:** They want the gold-plated Cadillac.

**Mr. Wildman:** Come on, you're from the north. Don't complain about this.

**Mr. Makarchuk:** If Toronto airport is paid for from federal funds, then surely a little village can take advantage of the same opportunity. Let's not be critical of it.

**Mr. Reid:** Make up your mind. You're complaining that nobody but the rich uses it and now you want the government to subsidize it more. You're not being consistent.

**Mr. Wildman:** I'd like to see it used a little bit more by everyone. I'm sure that the minister would like to have it used by other people as well as the people who are now using it and have them continue using it.

I have no argument with the service. I would like to see it upgraded and be maintained. I think it's been a great aid to places like Wawa and Elliot Lake. I would prefer to see a better schedule for Wawa and I would like to see water at the Elliot Lake airport. It just can't be done without money. They're going to get it then, is that it?

**Mr. McCabe:** It's not described in the estimates but it's an eligible item as a part of the terminal facility.

**Mr. Makarchuk:** What does that mean, incidentally? Are they getting water or aren't they?

**Mr. Bain:** He doesn't know.

**Mr. Makarchuk:** Surely somewhere in your ministry you have some idea of what you're going to do.

**Mr. Lane:** Isn't it up to the municipality to work out what they want to do with the money that we allocate to them. After all, Elliot Lake is in my riding and I haven't had any complaints about the water there.

**Mr. Reid:** That's a funny notion.

**Mr. Wildman:** It was in the Sault Star on June 3.

**Mr. Lane:** I don't have to read the newspapers.

**Mr. Wildman:** I'm sorry, maybe the Sault Star is lying.

**Mr. Lane:** You look after your riding and I'll look after mine.

**Mr. Makarchuk:** The problem is that sometimes people who fly use washrooms.

Interjections.

**Mr. Wildman:** I'm not particularly interested in just dealing with my riding. I thought we were dealing with norOntair which flies throughout a number of ridings in northern Ontario.

**Mr. Deputy Chairman:** Address your question through the Chair to the minister.

**Hon. Mr. Snow:** That's happened several times now. Even if Mr. Makarchuk can't understand, I've said that there is a \$10,000 subsidy allocated for the Elliot Lake airport.

**Mr. Makarchuk:** How is it going to be spent, in that case?

**Hon. Mr. Snow:** I do not have that information.

**Mr. Wildman:** Is that up to the municipality?

**Mr. Makarchuk:** Does anybody among all your minions have that information?

**Hon. Mr. Snow:** I don't know.

**Mr. Makarchuk:** Obviously, when you allocate \$10,000 to a municipality you have something in mind, don't you?

**Hon. Mr. Snow:** Certainly.

**Mr. Makarchuk:** What did you have in mind when you allocated this amount?

**Hon. Mr. Snow:** We have over 900 municipalities with programmes; they all have roads they're building.

**Mr. Makarchuk:** And they submit certain programmes to you and you—

**Hon. Mr. Snow:** They submit programmes. I do not have all that paper here.

**Mr. Makarchuk:** Well, somebody must have the paper here. Could you find out and report back?

**Hon. Mr. Snow:** Yes.

**Mr. Makarchuk:** That's fine.

**Mr. Wildman:** I hope that the member for Algoma-Manitoulin (Mr. Lane) didn't resent my bringing this up. I didn't bring it up because I wanted to cause him any problems. It just seems to me that sometimes people who



might be flying to Blind River, for instance, which is in my riding, might fly into Elliot Lake—

**Mr. Reid:** They just vote blind in your riding.

**Mr. Wildman:** Well, they have for many years. They've seen the light recently.

The council at Elliot Lake apparently has suggested that the two senior levels of government and the mine officials there are considering the possibility of extending the runway to accommodate—

**Hon. Mr. Snow:** Where is this?

**Mr. Wildman:** Elliot Lake. A runway extension would allow most types of aircraft that are used—not just norOntair planes—to be accommodated. I'm sure that there must be federal grants for that, isn't there?

**Hon. Mr. Snow:** What is the length of the runway at Elliot Lake?

**Mr. McCabe:** I couldn't tell you exactly, sir, but I think it's something short of 3,500 ft. It's around 3,000, if I recall. It isn't the full norOntair standards. Our standard allows us to go up to 3,500 ft; but I think you're thinking of something even in excess of that.

**Mr. Wildman:** Yes.

**Mr. McCabe:** Our eligibility criterion only allows for subsidies up to 3,500 ft.

**Hon. Mr. Snow:** Three thousand five hundred feet is not a bad runway, but it does not allow huge aircraft or jets to land. I'm not sure who would be using a jet into Elliot Lake, unless it was some of the big mining companies. If they want that type of a facility, then perhaps they should contribute to paying for it. I'm sure the community of Elliot Lake, or we as a ministry, wouldn't think it necessary to have a 7,000 ft paved runway for the Elliot Lake community airport for the use of the average person.

**Mr. Wildman:** What about the paving of runways? Many of these communities now have gravel runways, or whatever they are—do you look to the paving of these runways in the near future?

**Hon. Mr. Snow:** Paving has definite advantages. Of course, it's costly. A good compacted gravel runway is quite serviceable.

**Mr. Gilbert:** Mr. Chairman, I think we should keep one thing in mind. This is a relatively new programme for the ministry. We are working with the municipalities. We are

coming upon problems we didn't foresee when we first got into this. I think that everything from the length of the runway to paving and everything that we've been talking about are the kinds of problems that are part of our developing airstrip programme.

**Hon. Mr. Snow:** I believe it was 1968 when legislation was first passed—

**Mr. Reid:** And I was the one who first raised it in the Legislature.

**Hon. Mr. Snow:** —that allowed the ministry to participate in an air programme. I recall when the hon. Irwin Haskett, who was then Minister of Transport, brought forward the bill.

**Mr. Reid:** Yes, and may I just remind the minister—you may recall this—that I was the first one to raise air programmes during his estimates, and I was ruled out of order because the provincial government didn't have any.

**Hon. Mr. Snow:** Up until that time, as I recall, there used to be a federal fund of \$1 million available—

**Mr. Reid:** That was it.

**Hon. Mr. Snow:** —for all of Canada to assist with municipal airports. One million dollars for all of Canada; and they have a little better fund than that now. I believe their maximum grant is \$175,000. That is what the federal government will put into a municipal airport.

Now, our grants have varied considerably—I've seen details on different airports—in order to make up the difference between what it was going to cost to get an airstrip and what the federal government would make available.

[8:30]

**Mr. Wildman:** I hope the minister and his officials don't regard this as saying I don't think norOntair is a good thing. I think it is. I would just like to see it grow.

**Hon. Mr. Snow:** We are not talking about norOntair totally. We are talking—

**Mr. Wildman:** Or airports in general.

**Hon. Mr. Snow:** —or at least you have been, about the airports themselves. That's why I suggested to the chairman that we deal with all three items of this vote together because they do intermingle. Quite a number of the airports the ministry has built since it started that programme do not have norOntair service.



**Mr. Wildman:** Is it possible or is it the case that the government is now looking at paving runways? I understand, as you said, that it's an ongoing thing. Are you looking at paving runways and the installation of the kind of landing equipment discussed here or is that the long-term thing? Is it in the planning stages now or what?

**Mr. Gilbert:** I think the one thing you have to keep in mind is that an awful lot of places haven't an airstrip, period, and we have only limited dollars for that programme. You won't get any argument. We feel it's an excellent programme but we have only limited dollars.

Quite frankly, some of the airstrips haven't got anything, not even a gravel runway, and we would certainly have to give them priority before we get to the point of paving others. There could be exceptions to this for other reasons—the type of aircraft and anything else—but there are an awful lot of strips—maybe not a lot—certainly there are locations where we would like to be moving ahead faster than we have been able to right now and they have no airstrip.

**Hon. Mr. Snow:** I would point out there is no money in our estimates this year at all for the start of any new projects.

**Mr. Wildman:** I see.

**Hon. Mr. Snow:** All the \$1,000,357 for capital and—Pardon?

**Mr. Reid:** You said \$1,000,357.

**Hon. Mr. Snow:** Sorry. It's \$1,357,000.

**Mr. Reid:** I just want you to know I am listening carefully.

**Hon. Mr. Snow:** That is all really for carried over projects on airports which are under way and further improvements to some which have been built. It goes right up to Attawapiskat, Big Trout Lake, Sandy Lake, Round Lake, Fort Hope, Pikangikum, Pickle Lake, Fort Severn, Lansdowne House. Those are the remote airports and there are the municipal airports at Atikokan, Chapleau, Elliot Lake, Fort Frances, Kirkland Lake and Wawa. There is money in there for all of those this year.

**Mr. Wildman:** You answered my question regarding paving. What about this microwave landing equipment?

**Hon. Mr. Snow:** We have no money in the estimates this year for that, have we? I don't believe so.

**Mr. McCabe:** You are quite right, sir. We don't have any money in this. There was consideration given to the microwave landing system but considering the money you would have to put in to install this throughout the norOntair system for the additional completion of the schedules it really wouldn't pay off, so we don't feel it's a good cost effective investment at this point in time.

**Mr. Wildman:** All right. Do you agree with his figure when he says that one in 20 flights is cancelled because of the problems of landing in bad weather?

**Mr. McCabe:** Yes, 95 per cent completion.

**Mr. Reid:** Probably they couldn't have landed anyway.

**Mr. Wildman:** He says a lot of these could have flown if they had had this equipment.

**Hon. Mr. Snow:** Some of them; I won't argue with you.

**Mr. Wildman:** I don't know.

**Hon. Mr. Snow:** I wouldn't say that none of them could have gone. There is no doubt, as I tried to explain to you a few minutes ago, that there's a differential in the minimums between having that type of equipment and having the non-directional beacon we have now. But it wouldn't have got all of those flights in and out.

**Mr. Wildman:** You said there's no money for new airports and so on other than the ones in the planning stages or already begun. What's happening with plans for development of airport surveys and so on, such as the one at Hornepayne? Are those going ahead even though there isn't money to build those airports?

**Mr. McCabe:** There have been discussions with Hornepayne and some preliminary planning and design work. For instance, there have been site selections and estimates of what it might cost. The municipality is aware of what is involved if an airport is developed there.

**Mr. Wildman:** When you say "if" are you looking to going ahead with this next year or the year after?

**Hon. Mr. Snow:** That will all depend on the budget. For the air programme, we were given only enough money this year to cover the absolute commitments that we had, in other words, to operate norOntair and to finish off airports that were under construction where there was additional work to do.



The only new facility we have this year is Geraldton and that is not in our estimates.

**Mr. Reid:** Why?

**Hon. Mr. Snow:** That is a DREE development agreement jointly between the federal government and the Treasury, TEIGA, and we are doing the project. The contract was awarded for the clearing last winter and there is another contract to go out. I think it's out for tender now, is it not?

**Mr. McCabe:** It should be coming shortly. We have to wait for the TEIGA people to sign the agreement with the federal government before the tenders can be called and that should be within the next month or so.

**Hon. Mr. Snow:** In any case, we are proposing this year at Geraldton to let the grading contract, which would cover the grading and the granular, I believe. Then next year we will call tenders for the paving. There is going to be a 5,000 ft paved strip at Geraldton.

**Mr. Gilbert:** If we can get final agreement from TEIGA. It is awfully hard to come to a final agreement on these things.

**Mr. Reid:** Especially when you get Treasury involved in it.

**Mr. Wildman:** Just as one last question, can you tell me how many airplanes in total are being used by the different companies that are running norOntair?

**Hon. Mr. Snow:** Six Twin Otters.

**Mr. Wildman:** How many staff does that involve on the part of Bradley and others who are involved?

**Mr. Clifford:** In total, the four carriers which are now providing those services? I don't know what the total is.

**Mr. Reid:** How many officials of MTC or norOntair or Ontario Northland are involved?

**Mr. Wildman:** That is what I was getting to.

**Hon. Mr. Snow:** We have three people in total in our ministry in the air branch.

**Mr. Wildman:** Does that include everybody?

**Mr. McCabe:** That's for services.

**Mr. Gilbert:** We have 13 in the operation. But they're not only involved in norOntair.

**Mr. Reid:** But you have some, Mr. Gilbert, who are involved only in norOntair? How many are doing nothing else but norOntair work?

**Mr. McCabe:** There's no one in the ministry fully engaged with norOntair.

**Mr. Reid:** You have somebody at Thunder Bay and North Bay, etc.

**Mr. McCabe:** We have a few people in the airports development section, including the people in Thunder Bay, on airport construction operations.

**Mr. Reid:** But you've got a fellow by the name of Mr. Ackroyd. What does he do?

**Mr. Clifford:** That's norOntair; that is one of our employees.

**Mr. Reid:** That is what I want to know. How many people are directly involved in nothing else but norOntair, working for the Ontario Northland or MTC?

**Mr. Clifford:** If you are talking about the Ontario Northland, there are four people.

**Mr. Reid:** Mr. Ackroyd is one of them?

**Mr. Clifford:** He is one of them in Thunder Bay; the other three are in North Bay.

**Mr. Wildman:** What is their function?

**Mr. Clifford:** Mr. Wallace is the director of air and marine services and he has two other individuals who work with him.

**Mr. Wildman:** Was Mr. Wallace speaking for Ontario Northland when he made this speech?

**Mr. Clifford:** No, he is an employee of Ontario Northland. I explained earlier that was a speech he gave to a symposium here in Toronto about six weeks ago. I just can't remember the group the speech was given to.

**Mr. Wildman:** I don't have any other questions.

**Mr. Reid:** I have a few questions. Before I get into my main remarks, I would like to ask where Mr. Wallace is tonight. I would have thought he would have been here for these estimates.

**Mr. Gilbert:** Mr. Clifford is here. Mr. Wallace is responsible to Mr. Clifford.

**Hon. Mr. Snow:** We could have brought everyone from North Bay down, but it is hard to know.



**Mr. Reid:** Mr. Chairman, I would just like to make a few preliminary remarks which might help my friend who has just gone before me and say I want to congratulate the government, to some extent, on its air programme.

As I said earlier in my remarks, in 1968, as the minister indicated, when I rose in my place to take part in the Transportation estimates of the then minister Irwin Haskett, I was ruled out of order because the Province of Ontario had no air programme of any kind and wasn't involved in airports or air traffic at all. In the short period of approximately eight years the ministry has involved itself in airstrip development as well as in providing a subsidized service to northern Ontario which, for this government, is remarkably speedy action.

Having said that, there are a few problems and a few asinine mistakes, I think, have been made. I'm particularly upset with the minister's remarks that the budget has been cut in this respect for this year and held to commitments for programmes approved in the past, particularly in the past year. We will get to Mr. Foley in the UTDC who seemed to have unlimited funds or unlimited access. We realize the importance of urban transport but this programme, regardless of the predisposition of my friend across the way, has provided a much needed service to northern Ontario.

**Mr. Wildman:** I didn't say anything.

**Mr. Reid:** Quite frankly, I look upon the provision of airports and air facilities in northern Ontario, as being as basic as sewer and water to these communities. If we cannot provide transport in and out we're certainly not going to attract people—doctors, dentists, professional people—nor industry nor working people to these areas unless they feel they can get out and in on a reasonably easy basis.

I recall a very personal thing during the first seven years I was a member. I had to fly approximately 1,000 miles to Thunder Bay, get off the airplane, get into my car and drive 225 miles to get to my home. Then I'd go out and do my political and, sometimes, my social business.

**Hon. Mr. Snow:** I thought you could do that in Toronto.

**Mr. Reid:** Sometimes it was a wearying business.

**Mr. R. S. Smith:** The social or the political?

**Mr. Reid:** Mostly the social—trying to keep everybody happy in my riding. Given the mileage particularly, it was a little difficult but we won't go into those particular matters.

I have a number of questions here and one of the reasons I was looking particularly for Mr. Wallace—

**Hon. Mr. Snow:** May I comment on your remarks about the budget while you are still on that? I, too, would like to have seen more funds available. I agree with your remarks—I don't know about sewers and water; Mr. Wildman has a great hang-up about a little bit of water at the airport. I've been to many airports which don't have any water—

**Mr. Reid:** Train stations.

**Hon. Mr. Snow:** —and I think there are other services more essential at airports, at least on the—

**Mr. Reid:** With the forest fires there aren't even any trees to go behind and that's what makes the water—

**Hon. Mr. Snow:** Over the years, the total expenditures of the air branch, since it was started in 1968, is something like \$14 million, I believe. With that \$14 million the air service is in place and has been operated for quite a number of years. Some 20 to 22 airports have either been built or there has been substantial assistance to the municipalities for building those airports.

Before this programme got under way there were very few airports in northern Ontario, period, other than the major federal airports in North Bay, Sudbury, Sault Ste. Marie and Thunder Bay.

We haven't made any great headway but we're not able to do what many would like to see done in expanding this programme. In this case, we haven't got the funds.

[8:45]

**Mr. Reid:** I've said I am very pleased with the action the ministry has taken in a few short years. I am disappointed that the programme seems to have come to somewhat of a shuddering halt, that the government obviously doesn't look upon these services in northern Ontario as one of its priorities.

**Hon. Mr. Snow:** That is not right at all.

**Mr. Reid:** When one measures it by the amount of funds committed, I think that's obvious.

**Hon. Mr. Snow:** We got a number of programmes on last year and we're continuing



with them this year. We'll be dealing with other municipalities or areas that need airports in the planning stage this year. We hope we'll get some money to start some new programmes next year.

**Mr. Reid:** How about Ignace, for instance? We've been after an airport in Ignace and you didn't mention Ignace. The MOT and others have been working on surveys and locations and so on.

**Mr. Bain:** Look after your own riding.

**Mr. Reid:** It is my own riding, strangely enough.

**Hon. Mr. Snow:** Do we have any information on Ignace?

**Mr. McCabe:** We have had discussions with Ignace and we've had a look at sites, but Ignace isn't on the norOntair proposal, so its priority is not high with respect to this.

**Mr. Reid:** That's one of the problems. The minister indicated that they were trying to operate, I would think within at least north-western Ontario, on a Design for Development basis of growth centres. One of the problems is that in Design for Development, Ignace originally was not a growth centre. But Ignace, much to its everlasting impertinence, if nothing else, went ahead and became a growth centre, regardless of what TEIGA's great plans were. You've got a community that grew fourfold and is going to expand and yet the government, because of the Design for Development and TEIGA, will not admit that the community is even there and give it any assistance. My friend, Mr. Wildman, and others have already commented that there is a heck of a problem here trying to get MTC, amongst others, and TEIGA together.

The minister indicated that in the case of Geraldton there was a problem with a DREE agreement in getting it signed. I would like to ask the minister to comment very briefly if he would, on what is the problem with DREE. Why can't we get these things done? I have spent a lot of time talking to people in DREE and inevitably they blame TEIGA for the problems. When you talk to TEIGA, if you can get anybody to talk to you over there, they either blame the ministries or they blame DREE.

**Hon. Mr. Snow:** We are only a contractor as far as the Geraldton airport is concerned. We will carry out the project with funds that are supplied through TEIGA from their joint northwestern Ontario priorities budget.

**Mr. Reid:** I really think it is incumbent upon the minister and other governmental ministries to look at TEIGA to see if maybe they're not the problem rather than DREE.

**Hon. Mr. Snow:** I was not aware until I heard this tonight that there was any delay. I know we would have proceeded. We called the tenders and awarded the contract for the clearing. We may have gone ahead on our own on that.

**Mr. Reid:** I'd just like to ask the deputy minister to elaborate on the comment he made about how very difficult it was to conclude these arrangements with DREE.

**Mr. Gilbert:** Quite frankly, as the minister has said, we find it very frustrating. You could be right.

**Mr. Reid:** You deal through TEIGA really.

**Mr. Gilbert:** Yes, that's right.

**Mr. Reid:** So you're not really privy to what goes on, are you?

**Mr. Gilbert:** No, not out of the province. But to answer the question, we often have a programme scheduled, as far as our capital programme is concerned, and find there are some difficulties in getting an agreement signed between DREE and TEIGA as a joint project.

**Mr. Reid:** Whose fault is it?

**Mr. Glibert:** I don't know.

**Hon. Mr. Snow:** We are doing some road work in northwestern Ontario this year out of that same pot of funds. We've proceeded with the contracts on those. That is why I was surprised to find out there is a holdup on the airport.

**Mr. Reid:** There is a holdup on a lot of projects with DREE in northern Ontario. Quite frankly, I don't know whose fault it is because one blames the other. It seems rather ridiculous that this should go on.

But just to come back again to Ignace, I take it then that there is not going to be any contract let, any action in Ignace in this coming year?

**Hon. Mr. Snow:** There is no money in this year's programme for Ignace.

**Mr. Reid:** Now, I've got two or three questions, because—

**Hon. Mr. Snow:** There is for Fort Frances, though.



**Mr. Reid:** Good, how much?

**Hon. Mr. Snow:** There's \$110,000.

**Mr. Reid:** Is that for the cross runway?

**Hon. Mr. Snow:** I'm not sure. As I say, I don't have the details of every programme—but there is \$110,000 for Fort Frances.

**Mr. Reid:** Would any of your people have this?

**Mr. McCabe:** Equipment, garage and related works.

**Mr. Reid:** That isn't the cross runway.

**Mr. McCabe:** No, it's not the cross runway.

**Mr. Reid:** Right. You have a request from the town of Fort Frances for a cross runway, though, I take it?

**Mr. McCabe:** Yes, it's in discussions now.

**Mr. Reid:** You keep saying discussions, but I gather what you mean by discussions is that you are not going to give us the money at this stage of the game.

**Mr. McCabe:** Of course, the budget depends on what the government wishes to allot. But one of the things that is holding us back is the cross runway is not considered a prime element of an airport, and the subsidy rate is only 50 per cent, whereas the prime items are 80 per cent. I think that is one reason.

**Mr. Reid:** Okay. I just want to raise a couple of questions. I am somewhat concerned about the way the ministry has gone about setting this up. I understand that—and some of you gentlemen may help me with this—the association of regional air carriers—and I think they have a specific name. Anyway, they are the third-level carriers and they are objecting most strenuously across Canada. They blocked the Saskatchewan-Manitoba arrangement. I understand that they are looking to overthrow, for want of a better word, the norOntair system in northwestern Ontario. They feel generally that the government is intruding upon what basically should be their field of endeavour in private enterprise.

In conjunction with that, if I recall correctly, a gentleman who was involved in the Minaki Lodge fiasco in one way or the other, is suing the government. Among other things he was not allowed to proceed with his bid on the norOntair system for northwestern Ontario. Were you aware of that in the government? Mr. Gilbert, you've heard of this.

**Hon. Mr. Snow:** Which are you talking about? I mean, I'm aware of Mr. Swirston.

**Mr. Reid:** I think he is a lawyer for the gentleman.

**Hon. Mr. Snow:** He is the only one I have ever heard make these remarks. I have never heard from him at all directly. I have never had, to my knowledge, correspondence of any kind from him. If I have, I've forgotten it. But I don't believe I have had any word from him. I have read two or three articles in the press over the past few months, statements or speeches by him that the norOntair-type service is unfair to local operators and so on.

I have not had one complaint or objection from any operator, to my knowledge. I have never had any request for a meeting with this association of air carriers. One would think that if they really had some objection to this, some input or some suggestion to make, they would have contacted me.

**Mr. Reid:** I believe it was Mr. Carey's lawyers who were involved in Minaki Lodge, and who then bought into an air service in my area. They were then told, I believe by Mr. Jessiman, one way or the other—if my information is accurate—that he was not acceptable as an operator for norOntair because of previous associations.

I understand that he has lawyers on his behalf who have been pursuing this in the courts and have, in fact, petitioned the courts to allow him to proceed to sue the Ontario government because of this. I am not exactly sure for what, defamation of character or loss of business. Basically, what I want to know, is the government secure in its own legal approach to this, that you have the authority to proceed with norOntair operations? You have got that legal opinion, I think.

**Hon. Mr. Snow:** In what way are you concerned that we would not be?

**Mr. Reid:** I am all for the norOntair system. As you know, I pushed for it for my area particularly.

**Hon. Mr. Snow:** We have four contracts; we own the aircraft.

**Mr. Reid:** Which you rent to the operators for \$1 a year?

**Hon. Mr. Snow:** We own the aircraft. For licensing purposes we lease the aircraft to the four operators. Two of them have two aircraft each and two have one aircraft each, I believe. I have personally read the agreement in detail. We lease the aircraft for \$1 a year.



**Mr. Reid:** And what do you pay on the operation deficit?

**Hon. Mr. Snow:** The operator obtains the licence to fly over that particular route from the federal department. We pay a mileage rate for the operation of the aircraft.

**Mr. Reid:** Could you explain that and could you help me with that one? You pay a mileage rate; you don't subsidize the operating deficit.

**Hon. Mr. Snow:** Yes, from the agreement that I read, and I think they are all the same.

**Mr. Clifford:** That's all part of it. When the bids go out to the different carriers for the particular service which we request them to fly, we stipulate what we want them to do. We outline it and ask them to quote us a rate per mile figure.

**Hon. Mr. Snow:** We supply the fuel and we supply certain parts.

**Mr. Clifford:** We supply a lot of the ground services.

**Hon. Mr. Snow:** We keep one spare engine available if one of the aircraft should lose an engine. We don't supply each operator with an engine; we keep one spare on hand. We supply certain parts that they may need. They are responsible for those parts. If they use any parts we supply the replacement for their stock. They supply the plane crews and the maintenance.

**Mr. Reid:** You are paying them on a per-mile basis and if they take a loss that's their tough luck. They are not taking any losses, I take it? They are all still operating.

**Hon. Mr. Snow:** They fly the routes on this basis.

**Mr. Reid:** What happens then when you change the schedule? Do you still pay them on a mileage basis?

**Hon. Mr. Snow:** I would think so.

**Mr. Clifford:** Based on the new schedule. But it is at a stipulated rate per mile.

**Mr. R. S. Smith:** It varies.

**Mr. Clifford:** That rate per mile doesn't vary—

**Mr. Reid:** What is the rate per mile?

**Mr. Clifford:** That rate per mile is different for all four contracts.

**Mr. R. S. Smith:** That's what I mean; it varies.

**Hon. Mr. Snow:** They bid on the contracts.

**Mr. Clifford:** When norOntair first started White River did the northeastern part of the services. When that contract came up for renewal—I just forget how many companies bid on it—White River lost out on that particular contract to Bradley Air Services. Mind you, White River is still performing a certain portion for norOntair. When we put out the request to provide service out of Sault Ste. Marie to Wawa and over to Thunder Bay, that was a separate one, and the northwestern part was separate, when we put out the bid.

**Mr. Reid:** On each leg, if you like, you are paying a differing rate?

**Mr. Clifford:** They are very close but there are different rates.

**Mr. Reid:** I will get to my friend Mr. Wildman's question. Who then sets the fare?

**Mr. Clifford:** We set the fare.

**Mr. Reid:** NorOntair sets the fare. How do you arrive at that fare?

**Mr. Clifford:** Today our fare is based on a ground charge of \$14 plus nine cents a mile, which is somewhat substantially lower than say Air Canada's fare schedule.

**Mr. Reid:** We are subsidizing it fairly heavily, relatively speaking?

**Mr. Clifford:** We are subsidizing it to the tune of \$1.5 million in the estimates there.

**Mr. Reid:** For how many passengers in the overall system?  
[9:00]

**Mr. Clifford:** Last year we carried 62,000 and this year we expect to carry 80,000.

**Mr. Reid:** My computer-like brain tells me you're subsidizing that to about \$10 a passenger.

**Mr. Clifford:** No, it would be \$20 a passenger.

**Mr. Reid:** Twenty dollars a passenger?

**Hon. Mr. Snow:** Not according to the figures I have.

**Mr. Reid:** That's not bad then; if you're 50 per cent right that's better than you're averaging.



**Mr. Clifford:** We're talking of a subsidy of \$1.5 million and our estimate of the number of people we will handle in the calendar year 1976 is 80,000 people. We carried 62,000 last year and we expect it to be 80,000 this year.

**Mr. Reid:** I've got some particular questions on the costs. Under capital and construction we've got salaries and wages, \$301,000; under maintenance there's \$244,000. Could you tell me first of all who's involved in the first \$301,000? Whose salaries are those? Are these charged back to various operational branches within the ministry? They're from the estimates book.

**Hon. Mr. Snow:** In the estimates we have \$301,000 for salaries. The employees in this activity are equipment operators, labourers, construction supervisors, equipment mechanics who are responsible for the construction of the airports.

**Mr. Reid:** Are they ministry officials?

**Hon. Mr. Snow:** In many cases, I understand, in the remote airports they would be native people. On the remote airports we supply the equipment, whether it be a bulldozer, a grader or whatever is needed, take it to those spots and basically use local people to build the airstrip. The equipment stays there and is used for maintenance and so on.

**Mr. Wildman:** They are the people who are involved in maintenance as well?

**Mr. Gilbert:** You usually end up picking a couple of the best people there and they become the maintenance crew that looks after this facility.

**Hon. Mr. Snow:** What was your next question?

**Mr. Reid:** On maintenance salaries and wages, it's the same thing, I take it? The salaries and wages under capital construction are for the people who work on building the airports and the \$244,000 is for the people who maintain them. How many people are involved in the \$244,000?

**Hon. Mr. Snow:** There are 12 people involved in that.

**Mr. Reid:** That comes to about \$20,000 apiece.

**Mr. Gilbert:** That is the regular complement at the airport. There would be other casual employees who would be hired for specific—

**Mr. Wildman:** Is snow ploughing included?

**Mr. Gilbert:** Yes. The regular complement as far as maintaining the remote airports is concerned is 12.

**Mr. Reid:** All right, Mr. Gilbert. Tell me then—12 people, what would their salaries be? Just give me a ball park figure.

**Mr. Gilbert:** If they're regular general foremen—

**Mr. McCabe:** They are highway general foremen 1, but I'm not sure what their salaries are.

**Mr. Reid:** It pays better than being an MPP.

**Hon. Mr. Snow:** I think Mr. Gilbert said there are only 12 permanent staff in that \$244,000.

**Mr. Reid:** And we've got some seasonal or part-time people.

**Hon. Mr. Snow:** There would be non-complement staff, part-time people—

**Mr. Reid:** How many would that involve? Twenty?

**Mr. Gilbert:** It could involve even more than that at particular times. For instance, if there's a problem at one airport—it's becoming soft or something like this—they might require more. It's very much like the maintenance of the highway patrol. It's on the same basis. The general foreman is the same type as the general foreman who, in other parts of the province, maintains the roads. They make a salary of around \$12,000 a year, somewhere in that area. But they will hire additional people as they need them to maintain the airport.

**Mr. Reid:** Would you say, Mr. Gilbert, that maybe \$100,000 of that is for casual labour, or people on a part-time basis? I just want to get a handle on this, that's all.

**Mr. Gilbert:** I understand that the salary of the general foreman is around \$12,000. So the balance would be casual people.

**Mr. Reid:** Where do the salaries of the four people who are on full time come in?

**Mr. Gilbert:** This is the Ontario Northland. You must remember the remote airstrips are built entirely by the Ministry of Transportation and Communications.

**Mr. Reid:** Okay. So they are not included in these three items?

**Mr. Gilbert:** No, they would not be.



Hon. Mr. Snow: Well, they are.

Mr. Clifford: They are part of the \$1,518,000.

Mr. Reid: They are in item 2 under operations?

Hon. Mr. Snow: Yes, their salaries are included in the operations.

Mr. Reid: Okay, I would like a job description of the gentleman who is located in northwestern Ontario at Thunder Bay. What does he do?

Mr. Clifford: He is the norOntair representative for northwestern Ontario, and in effect—

Mr. Reid: What does he do?

Mr. Clifford: What does he do? He has association with the two carriers that are in the region, On Air and Air-Dale Ltd. He looks after and ensures that norOntair standards are lived up to by the carriers. He is the contact between the towns and norOntair.

Mr. Reid: I am glad you said that, Mr. Clifford. Can you give me a ballpark figure of what he gets? We are not mentioning him by name. What does he get for that—\$15,000, \$20,000?

Mr. Clifford: No, I imagine he's about \$13,000.

Mr. Reid: Well, I don't want to pick on this particular gentleman, because he is always affable, very amiable, very helpful when I see him—except that norOntair, as of April 25, went and changed their schedule in northwestern Ontario.

None of my communities directly involved were contacted about the change in schedule. They weren't asked if they were happy with the present situation, whether they were upset with it, whether it was of any use to them at all. They got in the mail one day this very nice booklet, the norOntair 1976 timetable, April 25—Oct. 30. And none of them had been consulted as to their wishes at all.

Now, we are paying somebody, a man in northwestern Ontario—in your own words, Mr. Clifford—to consult with the municipalities. They weren't consulted at all. Mr. Clifford, Mr. Chairman, Mr. Minister, nor were the carriers themselves, as I understand it.

Mr. Clifford: That part of it is not right—that the carriers themselves weren't consulted. One of the things that—

Mr. Reid: Somebody is lying to me, because one of the operators said he had been given this, and he has been given this not just this time but the last time the schedule was changed. How many times, Mr. Clifford, has the schedule been changed since we started in northwestern Ontario?

Mr. Clifford: The schedule usually gets changed twice a year, spring and fall. I realize there are problems with the schedule for northwestern Ontario, this particular schedule.

There is one thing I think should be appreciated about the service in northwestern Ontario. When Transair was making an application for a second schedule into Dryden, and was being opposed by Air Canada, there was support from the government for Transair to get another frequency in there. It was agreed that norOntair would try to feed as much traffic into Dryden as possible, because one of the things Transair was supposed to be trying to do at the time was to have a direct flight from Dryden to Toronto with one of those two flights.

Now, when the schedules finally got settled down, Transair got their second schedule. But, unfortunately, what they did with it in terms of looking after northwestern Ontario was not good. In other words there are two westbound flights, as you very likely realize, which get into Dryden within an hour and 35 minutes of each other. Eastbound, the two flights leave, I think, within just over three hours of each other. Our configurations were predicated upon feeding Dryden. I spent most of last week out in northwestern Ontario. We went around to all the communities—

Mr. Reid: With Mr. Wallace.

Mr. Clifford: And Mr. Hicks. We went around to all the communities last week.

Mr. Reid: After the schedule went into effect.

Mr. Clifford: Yes, but we had planned to go out there—yes, after the schedule had gone into effect. There was certainly consultation between the carriers on the schedule.

On the schedule itself we tried to do the best thing to make the connections and to look after our commitment that we would try to feed Dryden. You may say,



"You don't really care about Dryden, in the connections" and I would—

**Mr. Reid:** I don't—I'm worried about Dryden. I'm not worried about Transair. I don't think we should be in the business of subsidizing Transair.

**Mr. Clifford:** No, you've got it wrong. We're not subsidizing Transair. Transair made the application for a second flight and the government considered it would do northwestern Ontario good to have a second frequency over Dryden. The basic concept was excellent. What came out in the schedule was not.

**Mr. Reid:** Whose fault was that, Mr. Clifford? Was it the Air Transport Board's or was it Transair's? Who set the schedule?

**Mr. Clifford:** Transair set the schedule. I think it's a matter of also having to compete with Air Canada out of the Soo and Thunder Bay. I think most likely they indicated their schedules at least on being competitive with Air Canada out of those two points.

We have looked over the schedules and I have to agree that there should be some adjustments and amendments in them. One of the unfortunate things is that because of the Reservac II system with Air Canada, it takes about six weeks to make a change in schedules if you want to get the thing into the computer properly.

We've just missed one change and we wouldn't be able to get a change in now until about mid or late August. You've got about a 12-week period from now until you can make any changes and have the different schedules included in Reservac II.

I also want to point out, Mr. Reid, on the difficulties we're having with Transair and the reservations which you wrote to the Minister about, Transair never did have a computer. They still haven't got one. Really what they are doing is tying into the Air Canada Reservac II system. This was supposed to have all been settled by May 25 but unfortunately it hasn't been. It will be July 1 before it's all watered down, so to speak.

**Mr. Reid:** I come back to my original statement that norOntair did not consult with the communities. When I talked to the air carriers, their conception of consultation is that they do what they are told. A week or 10 days after you changed the schedule without any prior notice to the communities involved, you went out and

talked to the municipalities and said, "By the way, we changed your schedules; what do you think?" That's hardly consultation.

**Mr. Clifford:** No, we didn't go in on an after the fact basis. That's not correct.

**Mr. Reid:** I'm sorry. You said you went out last week—

**Mr. Clifford:** I was out there last week.

**Mr. Reid:** Right. And the schedule was changed on April 25?

**Mr. Clifford:** I didn't go out there strictly for scheduling. That trip out there had been planned for about three or four weeks. The point is there is only so much you can do with the schedules when you've got to try to tie in with Air Canada and Transair to get the people really where they want to go. Let's face it, 90 per cent of the people out there are still oriented toward Toronto.

**Mr. Reid:** That's right and it was my impression we were setting this system up for two reasons. One was to provide an air service within the region, within northwestern Ontario; secondly, it was to get people down to what most people, regardless of what you hear, still consider to be their main centre of interest which is Toronto.

**Mr. Clifford:** This is where the majority of the people are oriented toward.

**Mr. Reid:** Okay. What have you done?

What have you done with this new schedule? You're trying, for some reason, that quite frankly I don't understand, to make Transair and, I suppose, Dryden happy. You took a schedule which allowed people to leave Fort Frances at approximately 8 o'clock in the morning and to arrive in Toronto at 1 o'clock in the afternoon, right?

[9:15]

**Mr. Clifford:** Right.

**Mr. Reid:** You now have done away with that entirely. The earliest you can get into Toronto is something like 3:30 or 4 o'clock in the afternoon. People in Fort Frances can take North Central Airlines out of International Falls, Minnesota, and fly through Chicago and Minneapolis and be here about noon.

**Mr. Clifford:** You're right.



**Mr. Reid:** I'm prepared to do that myself because it saves me time and it gives me part of the day in Toronto. In the way you've now got it scheduled, you ruin a person's day. The service went in there to serve and to accommodate those people. Now you can't do that. Probably the most asinine thing—and the minister may recall my letter—is the fact that on Saturdays and Sundays you can now leave Fort Frances and fly to Kenora where you have about an hour and a half wait. By the way, when you think things are bad in Elliot Lake, they have a toilet in Kenora but that's it. You sit there in an airport for an hour and a half and then you fly to Dryden. Then you get off the plane at Dryden, wait another 30 minutes, you get back on the plane, Transair, and fly to Thunder Bay and thence to Toronto.

**Mr. Clifford:** On Saturday or Sunday why don't you go direct from Fort Frances to Thunder Bay and down?

**Mr. Reid:** You can if you want to wait, but the point is who wants to do that?

**Mr. Clifford:** You haven't got to wait, if you look at your schedule.

**Mr. Reid:** What time do you leave Fort Frances?

**Mr. Clifford:** You leave Fort Frances at 16:10 and you are into Toronto at 20:25.

**Mr. Reid:** At 4:10, that's right. Why do you have the flight in the morning? This is what nobody can understand?

**Mr. Clifford:** What you're saying is you couldn't get out on Saturday and Sunday without the asinine wait, as you put it.

**Mr. Reid:** Wait a minute now.

**Mr. Clifford:** Out of there at 4:10 and into Toronto at 8:25 p.m.

**Mr. Reid:** At 4:10 in the afternoon, that's fine. Why do you have a flight that takes you almost the time—I must tell it for those people who don't know—

**Mr. Clifford:** That you can drive it.

**Mr. Reid:** You can drive faster from Fort Frances to Dryden. You can almost make it in the same time by driving from Fort Frances to Thunder Bay to get to the airport and you don't have to spend an hour and a half in the Kenora airport.

By air, Mr. Clifford, Fort Frances to Dryden is roughly 78 to 80 miles. What

you're doing with your new schedule is you have a person flying from Fort Frances northwest to Kenora, then from Kenora northeast to Dryden, and then finally back to Thunder Bay. That's all right for the sightseers.

**Mr. Clifford:** How do you satisfy the community of Kenora? You've got to look after Atikokan, Fort Frances and Kenora.

**Mr. Reid:** I'm glad you mentioned Atikokan.

**Mr. Clifford:** I agree with you.

**Mr. Reid:** Why would anyone want to fly from Atikokan to Dryden and then on to Toronto?

**Mr. Clifford:** Okay, I agree.

**Mr. Reid:** I just want to put this to you, Mr. Clifford, because the minister may not understand.

**Mr. Clifford:** The minister understands it. I have tried to explain what happened to the schedule and the reason they got upset—set up that way.

**Mr. Reid:** Upset was the right word. That was a Freudian slip. Atikokan is 120 miles east of Thunder Bay.

**Mr. Clifford:** East of Thunder Bay?

**Mr. Reid:** West of Thunder Bay. The majority of traffic, you will admit, is going to Toronto—90 per cent or 95 per cent. For some strange reason that only the government can fathom, you are taking people 120 miles west of Thunder Bay and flying them north and west of Atikokan, another 100 miles.

**Mr. Clifford:** You can still go direct from Atikokan to Thunder Bay.

**Hon. Mr. Snow:** You used to have to go to Winnipeg and then come back.

**Mr. Reid:** It makes no sense.

**Mr. Clifford:** I agree with you that some of the schedules are messed up, but you can go from Atikokan to Thunder Bay on that schedule.

**Mr. Reid:** Sure you can, but you've taken away the morning schedule that made sense to everybody who used that particular service. You are now providing a service from Atikokan to Dryden. Have you got any figures on that flight?



**Mr. Clifford:** You can go from Atikokan to Thunder Bay. You are saying you couldn't go from Atikokan to Thunder Bay.

**Mr. Reid:** On the weekends you can go in the afternoon, right?

**Mr. Clifford:** Sure.

**Mr. Reid:** My point is you've got extra flights in there that make no sense to anybody. You took away the flights that made sense. You gave people, I must say, a very good choice before, either morning or afternoon. Now you've got flights going from nowhere to nowhere; it's like the Minister of Natural Resources (Mr. Bernier) building highways in his own riding from nowhere to nowhere, point A to point B.

They go from one place to another but there is nobody at that end and nobody at this end. It makes no sense. That's the whole point of the exercise. The question is, Mr. Clifford, are you going to turn it back to the original schedule.

**Mr. Clifford:** Yes, but that can't be done for 12 weeks.

**Mr. Reid:** Okay. The question is then, why did you do it in the first place? Two questions: Why did you not ask people in the area what they thought? Secondly, why did you do it? If you are feeding Transair nobody is going to take—nobody in their right mind is going to fly from Atikokan to Dryden when they can almost walk faster to Thunder Bay.

**Mr. Clifford:** I have to agree with you. I think what you have to realize is—

**Mr. Reid:** That's something.

**Mr. Clifford:** —the time restraint and the time element which come down when you are having to set these schedules. It's easy enough to criticize the people setting the schedule and I'm as much a critic of schedules as you are—but by the middle of next month we have to settle all the schedules for next October to go into a computer. Right down to the very last minute Air Canada will be changing its schedules and Transair will be changing its schedules. While we try to tie in with them as much as possible, you must realize that we are the small tail on the end of things.

**Hon. Mr. Snow:** On the big dog.

**Mr. Clifford:** I am not satisfied with the schedule; I'll be very honest with you.

**Mr. Reid:** We are subsidizing now some routes which are completely uneconomic—routes and lines which people are not going to use whatsoever. Quite frankly, what annoys me first of all is nobody in the area was even asked their opinion. You've got a man sitting there who is supposed to be a liaison between the communities and norOntair—you said that yourself—he never asked anybody.

You've got the air carriers themselves who say they weren't consulted. They were told what the schedule was and all apparently was done in the name of assisting Transair which doesn't give a hoot for northwestern Ontario. It proved that in Kenora. We wouldn't be in this box if Transair had lived up to its commitment to service Kenora. Would you agree with that?

**Mr. Clifford:** I am not too sure I know what Transair's original commitment was.

**Mr. Reid:** A few years ago they made a commitment to service Kenora and they got out of that.

**Mr. Clifford:** What you are saying is you think they'll get out of the Dryden situation, too?

**Mr. Reid:** I think if they could, they would. The point is I don't think that norOntair should be in the business of subsidizing Transair because Transair is going to do for itself what is best economically.

**Mr. Clifford:** Sure.

**Mr. Reid:** To fly people from Atikokan to Dryden, the analogy would be to fly from Thunder Bay to Vancouver and back to get to Toronto.

**Mr. Clifford:** Okay, you can get out that way but you are still not recognizing the fact that you can still go from Atikokan to Thunder Bay direct too.

**Mr. Reid:** Not with the kind of accommodation we used to have. Everybody was quite happy with that. One thing more, then I'll give somebody else a chance: I would like to have if I may, I don't expect to get it tonight but within the next few days, the schedule of the subsidy or the rates paid per mile to the various carriers which are being subsidized by norOntair. Can I get that, Mr. Minister?

**Hon. Mr. Snow:** Yes. I have the contracts on my desk.

**Mr. Deputy Chairman:** Is that it then, Mr. Reid?



**Mr. Reid:** For the moment.

**Mr. Deputy Chairman:** We have vote 2409, two items, how much time to you want to allot to it?

**Mr. Reid:** I am sorry, can I ask one question before we go into that?

**Mr. Deputy Chairman:** Yes, we can refer back to the other but I just want to know the committee's feelings of how much time they want to allot for the last vote?

**Mr. Reid:** I am sorry?

**Mr. Deputy Chairman:** Vote 2409, items 2 and 3. We've only a little over an hour left so how much time do you want to leave for the last vote?

**Mr. Reid:** We are talking about 2409?

**Mr. Deputy Chairman:** Vote 2409, items 2 and 3.

**Mr. Bain:** Not too much.

**Mr. Deputy Chairman:** Not too much. So the last half hour will be enough time for the last vote? Okay then, we can go till 10 o'clock on 2406.

**Mr. Wildman:** I have a question.

**Mr. Deputy Chairman:** I have Mr. Smith, Mr. Lane and Mr. Bain. Did you want to speak?

**Mr. Wildman:** Yes, I just have one question.

**Mr. Deputy Chairman:** Do you want to concede him one question?

**Mr. Wildman:** I just wanted to know if norOntair now has the agreement on the schedules? Are people in the Wawa, Chapleau and Elliot Lake area, including the Algoma Kinniwabi Travel Association, happy with the schedule as adjusted after their protests?

**Hon. Mr. Snow:** I really couldn't tell you.

**Mr. Wildman:** Is there anyone who can? You are aware that when it was announced they would continue the schedule, there was a tremendous amount of unhappiness at the time, and through a number of people getting involved it was readjusted—not completely to their satisfaction, I understand—

**Mr. Clifford:** I haven't heard anything recently at all.

**Mr. Wildman:** All right, fine. That's all.

**Mr. R. S. Smith:** I have a couple of questions. The first one is, what is the total subsidy of the air service in northern Ontario through the Ontario Northland Transportation Commission?

**Mr. Clifford:** The total subsidy?

**Mr. R. S. Smith:** Yes. Is that the figure in the book here?

**Mr. Clifford:** One million, five hundred and eighteen thousand dollars.

**Mr. R. S. Smith:** How is that broken up? There are four carriers. Is that what you indicated earlier? The four carriers are what?

**Mr. Clifford:** Bradley, White River, Air-Dale and On Air.

**Mr. R. S. Smith:** And Bradley carries what? Bradley is the successful carrier in what areas?

**Hon. Mr. Snow:** Bradley has route A, which is Sault Ste. Marie, Elliot Lake, Sudbury, North Bay, Kirkland Lake, Timmins, Chapleau and Earleton.

**Mr. R. S. Smith:** They took a considerable amount of the previous carrier—

**Mr. Clifford:** Of White River?

**Mr. R. S. Smith:** Yes. And that was on last year's bidding? They also carry from North Bay to Pembroke to Ottawa; is that right?

**Hon. Mr. Snow:** That has nothing to do with norOntair.

**Mr. R. S. Smith:** No, no, but I am just asking this question. Is that right? And norOntair obviously showed some type of a preference to Bradley. They didn't really oppose their first application to Sudbury and back between North Bay and Sudbury, is that right?

**Mr. Clifford:** No, norOntair didn't oppose it. I am not too sure that wasn't a licence held by Voyageur at the time.

**Mr. R. S. Smith:** Yes, that's right. Bradley applied for it but norOntair did not take any part in that at that time.

**Mr. Clifford:** Right.

**Mr. R. S. Smith:** What is the connection, other than the agreement between Bradley and norOntair as a result of last year's bidding on those portions which they took over from White River?



Mr. Clifford: What is the connection, did you say?

Mr. R. S. Smith: Yes.

Mr. Clifford: Between that and the service that Bradley operates on its own?

Mr. R. S. Smith: Right, and Ontario Northland.

Mr. Clifford: There is no connection whatsoever.

Mr. R. S. Smith: Okay, I will direct a question to the minister. What connection does the ministry have between Bradley and itself?

Hon. Mr. Snow: Nothing. There is no connection with the ministry with Bradley whatsoever to my knowledge except—

Mr. R. S. Smith: Why did the ministry at that time have an intervention in regard to Voyageur's application in regard to Pembroke, Ottawa, North Bay?

Hon. Mr. Snow: I don't know.

Mr. G. H. Johnston: I don't recall that there was, Mr. Smith.

Mr. R. S. Smith: I'm not talking about Ontario Northland. I'm talking about the ministry.

Hon. Mr. Snow: This would be a CTC hearing? On that licence?

Mr. R. S. Smith: Yes, that's right.

Hon. Mr. Snow: Does anybody know if we had any connection?

Mr. Clifford: I can't recall.

Hon. Mr. Snow: We didn't make any submission.

Mr. R. S. Smith: It was a few years back and Bradley was just getting in. But since it got in, now it really has, in effect, from Ottawa to Sault Ste. Marie. Really, in effect, that is what it has.

[9:30]

Mr. Clifford: They don't have Ottawa to Sault Ste. Marie on their own. Bradley just has Ottawa to North Bay and Sudbury on its own. Bradley under norOntair does go over to Sault Ste. Marie but it is under the norOntair framework and umbrella.

Mr. R. S. Smith: Yes, I know, but they have the licences and that's what really counts. You people just pay the subsidy.

Mr. Clifford: While they have the licence to go to Sault Ste. Marie, it is in the name of norOntair. The licence is in the name of the carrier.

Mr. R. S. Smith: Which is Bradley.

Mr. Clifford: Right.

Mr. R. S. Smith: Bradley has the licence because it is in their name, so don't tell me something else. The fact of the matter is that Bradley was way out in right field. All of a sudden, they came in and were supported by this government in their application between North Bay and Ottawa.

Hon. Mr. Snow: I don't think that is right.

Mr. R. S. Smith: It may not be right right now but it was then, let me tell you. Voyageur was opposed on some basis that I can't understand and which is very—

Hon. Mr. Snow: I wish you would be more specific.

Mr. R. S. Smith: I will be this specific. The Voyageur application was opposed by this government. Bradley made application and received permission through the federal agency to run from North Bay to Ottawa.

Hon. Mr. Snow: We do not have anything to do with the licensing. That is done, as you know, by the federal government. Even the successful bidder for running the norOntair services, to my understanding, then has to apply for the licence which is specifically to carry out the norOntair service.

The carriers can have their own licences beyond that. I think Austin-White River fly—

Mr. R. S. Smith: They all have their own licences.

Hon. Mr. Snow: —beyond the norOntair area.

Mr. R. S. Smith: They all have their own licences. You people just pay the subsidies, so let's just get this thing straight to start with. Voyageur was opposed in principle by the Ontario government when they made the application.

Hon. Mr. Snow: I want to check into this.

Mr. R. S. Smith: I would like you to.



**Hon. Mr. Snow:** I don't think that this government made any—

**Mr. R. S. Smith:** Bradley moved in and they got the Ottawa-Pembroke-North Bay run.

**Mr. Clifford:** That doesn't stop at Pembroke by the way, Mr. Smith.

**Mr. R. S. Smith:** It did at that time. Now it is straight through from North Bay to Ottawa. Then they moved in and bid against White River and got the other areas which became part of their total service in the area. I could never understand the connection between Bradley and the government and the opposition of the government to Voyageur.

**Mr. Gilbert:** There was no connection as far as Bradley and the government were concerned. That was competition, as you know. Bradley was the successful bidder over White River and, quite frankly, we were surprised that White River was not successful.

**Mr. Clifford:** White River just didn't sharpen their pencils enough.

**Mr. R. S. Smith:** Why was Voyageur opposed by an intervention of the Ontario government in regard to its application for North Bay-Ottawa?

**Mr. Gilbert:** As the minister has said, I certainly can't recall that we did oppose it; we can look into that, Mr. Smith, and see if we did, and, if we did, the reason for it. But I don't recall us opposing Voyageur from Ottawa to North Bay.

**Mr. Clifford:** Mr. Smith, how long ago was this—four or five years ago?

**Mr. R. S. Smith:** Four or five years ago, yes.

**Hon. Mr. Snow:** I personally don't recall it.

**Mr. Clifford:** That was before norOntair really because Bradley bought out Voyageur.

**Mr. R. S. Smith:** I'm not talking about norOntair. I am talking about the provincial government's interventions, not yours.

**Hon. Mr. Snow:** I want to look into this. This is interesting to me because I never recalled this government opposing it.

**Mr. R. S. Smith:** You weren't minister then.

**Hon. Mr. Snow:** I know I wasn't the minister but I never recall us opposing any application for a licence at the federal CTC.

**Mr. R. S. Smith:** You look into that. But it appears to me that Bradley Air Services has really been in an advantageous position in that it received the North Bay to Ottawa run, as opposed to Voyageur. And then they bid, as opposed to White River Air Services Ltd., for a number of runs that the ONTC had put out for competition, and they were successful. But they could only be successful on the basis that they had the Ottawa-North Bay run, because that put them—you can squint, or whatever you like—but that put them in the ball game in the area. That put them in that area with the plane and with the basic services that were required and allowed them to bid—

**Hon. Mr. Snow:** The planes for the norOntair service are our planes.

**Mr. R. S. Smith:** Mr. Clifford can shake his head and do what he likes—and he has obviously done that before today, and I'm going to comment on that—

**Hon. Mr. Snow:** I'm going to assure you that we'll look into this in full, because I think you're wrong. If you're not wrong, I will apologize.

**Mr. R. S. Smith:** If you're right, I'll apologize.

**Hon. Mr. Snow:** But you're making some pretty serious accusations.

**Mr. R. S. Smith:** If you're right, I'll apologize.

**Mr. Gilbert:** Are you suggesting that because Bradley Air Services Ltd. got into North Bay, that it put them in a better position than White River—is that what you're saying?

**Mr. R. S. Smith:** No, it put them in a position where they could bid on ONTC services. I'm not saying it put them in a better position than White River.

**Mr. Gilbert:** No, because White River is right in that area.

**Mr. R. S. Smith:** I'm not saying that at all. But I'm saying to you that Bradley weren't in the area at all before, and they couldn't get in. They were having great difficulty getting in. All of a sudden, there was an opposition to Voyageur even carrying on—and the residents in North Bay are all aware of that.

**Hon. Mr. Snow:** Who was Voyageur?



**Mr. R. S. Smith:** They were later bought out by Bradley.

**Hon. Mr. Snow:** I guess I'm not familiar with that one at all.

**Mr. R. S. Smith:** ONTC can explain to you who Voyageur was.

**Mr. Clifford:** Voyageur Airways Ltd. was a company based in North Bay. But did Bradley not get the air contract with norOntair before they started flying the Ottawa-North Bay run?

**Mr. R. S. Smith:** No, I think it was after. It was a considerable time after that. The point is that Bradley couldn't operate in the area unless they got Ottawa-North Bay first, and then submitted applications in opposition to White River and some of the other bidders on ONTC runs.

**Mr. Clifford:** Yes, but the fact that they were flying into North Bay I don't think had any bearing on the bid or the award of the norOntair portion.

**Mr. R. S. Smith:** No, except that it allowed them to come in with a lower bid.

**Hon. Mr. Snow:** Maybe it is a good thing to have competition in bidding for these routes. I wouldn't discourage that.

**Mr. R. S. Smith:** Maybe it was, if you like to squeeze people out. That may be your opinion, but it's not mine.

**Hon. Mr. Snow:** I don't want to squeeze anyone out, but I think when you are calling tenders for contracts, you naturally look for competition.

**Mr. Clifford:** Mr. Smith, as I recall it, the rate per mile which Bradley is getting paid for their norOntair portion is the very same as White River is now being paid for their portion. But at the time White River put in the bid that Bradley got, they were something like 16 to 18 cents a mile higher.

**Mr. R. S. Smith:** But the point I'm trying to make is that Bradley would never have been in a position to make that bid if they had not been successful in their attempt to get the North Bay-Ottawa run, which they were successful in getting over Voyageur because of the interventions of the Ontario government and others. And that's the point I'm trying to make.

**Mr. Clifford:** Strange as it may seem—

**Mr. R. S. Smith:** These things aren't all black and white and aren't all one, two, three. They are one, two, three if you can go that far. But I'm telling you that Bradley was not in business in that area until they got what they wanted, which was the North Bay-Ottawa run.

**Hon. Mr. Snow:** Bradley Air Services in Carp, Ont. have been in business for many many many years.

**Mr. R. S. Smith:** It's funny you obviously recognize them now. You couldn't a few minutes ago, but—

**Hon. Mr. Snow:** Just a moment, Mr. Smith! Just a moment!

**Mr. R. S. Smith:** Well, I'm telling you. Nobody knew who they were. All of a sudden everybody knows who they are.

**Hon. Mr. Snow:** I asked you, if you would clear your noggin for a minute, who Voyageur were. I said I was not familiar with Voyageur. Bradley Air Services—I know who they are. They do a great deal of flying in the Arctic. I've seen many articles.

**Mr. R. S. Smith:** There are many of them. They're all over the place.

**Hon. Mr. Snow:** Pardon?

**Mr. R. S. Smith:** They're all over the place; I understand that.

**Hon. Mr. Snow:** I don't know what he's saying. They're all what?

**Mr. R. S. Smith:** They're all over the place.

**Hon. Mr. Snow:** No, they're not a big outfit. I have read many articles about Bradley Air Services and they pioneered flying into the Arctic with Super Cubs on the big balloon tires. They were the first people to develop a technology to fly into a lot of these Arctic places and land where there were no runways or anything else. They followed up with Beaver aircraft on the same type of service. They were one of the first operators of the Twin Otter years ago when the aircraft was first developed. I think they have a lot of friends in Ottawa. They do a lot of work.

**Mr. R. S. Smith:** The point is they could get into the northern Ontario services unless they had a base to work from. They thought their base was from North Bay to Ottawa and that's what they made their application for.



**Hon. Mr. Snow:** I will investigate as to whether the Ontario government made any intervention in support of or against them when they applied for a licence and I shall report that to you.

**Mr. R. S. Smith:** Okay.

**Hon. Mr. Snow:** No one here recalls it but we shall look back.

**Mr. R. S. Smith:** I recall it because it was my area. I was directly involved. After they made their applications and were successful on the basis of the interventions that were made as opposed to Voyageur which had a base in North Bay which Mr. Clifford is aware of, is he not?

**Mr. Clifford:** Yes, Voyageur was based in North Bay.

**Mr. R. S. Smith:** Okay. They then purchased Voyageur because Voyageur was right on the brink of going over the hill. They then began to bid against those firms in northern Ontario which were providing the services for norOntair and were successful. But, until they got the run from North Bay to Ottawa, they were not in a position to come into northern Ontario and take up norOntair bids and norOntair contracts.

**Mr. Clifford:** Mr. Smith, I don't really understand what difference it makes if they got into North Bay or not on their own, to the operations of norOntair. Bradley's base now is in Timmins where they do all the maintenance on the aircraft.

**Mr. R. S. Smith:** Yes, on an NODC grant. That's right. That's the only place where they could get an NODC grant. They couldn't get it in North Bay.

**Mr. Clifford:** An NODC grant, you said?

**Mr. R. S. Smith:** Right.

**Mr. Clifford:** I'm not aware that they got an NODC grant for the hangar facilities.

**Mr. R. S. Smith:** These things all come together when you look at it.

**Mr. Gilbert:** Mr. Smith, it isn't really unusual for a contractor—which he really was—to move into another area. I'm finding it surprising and strange to follow the logic here. In the other side of our ministry, the road construction side of the ministry, as you know, contractors move all over the place. They take contracts all over the place.

**Mr. R. S. Smith:** But the air side is altogether different.

**Mr. Gilbert:** I don't know.

**Mr. R. S. Smith:** Yes, it is. It is because they have to have a service area to work out of and the service area is their basic cost.

**Mr. Gilbert:** But that applies to the other areas where they have to move equipment long distances, too.

**Mr. R. S. Smith:** Yes, but if they don't have a basic service area to work out of and they don't have enough to provide for that basic service area, then they can't compete on the type of bid that norOntair runs. White River competed at the start because they were the only one in the area to provide the basic services and even they had to provide extra services in the Timmins area as well, I believe. Am I right?

**Mr. Clifford:** To provide extra services in the Timmins area?

**Mr. R. S. Smith:** To their aircraft.

**Mr. Clifford:** They built a hangar as well in Timmins.

**Mr. R. S. Smith:** On NODC grants as well.

**Mr. Clifford:** It could be.

[9:45]

**Mr. R. S. Smith:** It's all government; it's all together here because you can't differentiate—at least I don't differentiate because it's all cost to the people of the province. This may be difficult for you to put together but if you just take the jigsaw puzzle and put it all together you'll find out what's going on. There are two or three operators who are putting the puzzle together very nicely. I don't say this is to the detriment of the people of northeastern Ontario at all; it may be to their betterment. But as far as cost is concerned overall, when you take what they're paid by the transportation commission and the grants they get from NODC and all these other things, you'll find that—

**Hon. Mr. Snow:** All these other things. Would you elaborate on that?

**Mr. R. S. Smith:** Yes. The support they get when they apply to the CRTC or the CTC.

**Hon. Mr. Snow:** You're saying that. I'm not accepting that at all.



**Mr. R. S. Smith:** You don't have to. You can accept what you like and I'll accept what you don't like, that's your prerogative.

**Hon. Mr. Snow:** I said I would check into it.

**Mr. R. S. Smith:** Okay, and I accepted that.

**Hon. Mr. Snow:** I don't see what the difference is. It would be quite normal, I think, for a government to support someone applying for a licence to supply a good air service, but I don't recall—

**Mr. R. S. Smith:** You didn't know at the time what type of air service they would provide because there were only two applications. Anyway, that goes back and I really have been involved with this for that long a time.

**Hon. Mr. Snow:** We've never been very successful in this government in getting the CTC to do anything that we wanted it to do.

**Mr. R. S. Smith:** Oh, I think you have been a little more successful than you admit to, but that's another question. The point is that I feel there's going to be continual change in this whole area of the type of service that we have in northern Ontario because of this continual basis on which we're going to allow one provider of service to bid against another all along the line. I basically feel that if the Ontario Northland Transportation Commission is going to be in that type of service, it should own that type of service, it should own the licences itself and it should apply for them.

But we get into all this kind of political game—and that's what it is; it's nothing more or less than this political game of who's going to get what contract. I don't say that on the basis of the dollar bid. Mr. Clifford, if you will listen to me for a moment I'm not questioning whether you should allow it to one bidder or to the other. But it's the question of who gets the licences that really counts.

I think the Ontario Northland Transportation Commission and this government should be in the business of applying for their own licences, because we're nothing but at the mercy of a manipulation of licences and applications for licences at the federal level to see who can bid on the contracts. That's where we're at.

Those contracts and the cost of them are based on who's able to get the licences, and nothing more and nothing less. I don't care how you look at it or how you read it,

that's what it is. I would like the minister to say to me what the position of this government is in regard to those licences and in regard to the provincial government's prerogative to bid for licences itself.

**Hon. Mr. Snow:** It is not the policy of this government to start its own airline—that is, as far as going out and running a full-fledged government-owned airline is concerned.

**Mr. R. S. Smith:** Why not?

**Hon. Mr. Snow:** I don't believe it would be in the best interests of the people of Ontario.

**Mr. Bain:** You pay for it now, you just don't get the benefits.

**Mr. R. S. Smith:** What kind of an answer is that? It's not in the best interests? What do you mean by that?

**Hon. Mr. Snow:** I think we can tender the service, tender the contracts and have the private carriers bid on these contracts on a competitive bid basis and carry out the service, as long as they carry out the service in accordance with the standards as established by the government and by the ONTC.

**Mr. R. S. Smith:** And you can do it cheaper that way than otherwise?

**Hon. Mr. Snow:** I believe so, yes.

**Mr. R. S. Smith:** Your cost right now is \$1 per year for the aircraft to these bidders. What does that include other than the supply of the aircraft? Who pays the insurance on that aircraft, for example?

**Mr. Clifford:** The carrier pays the insurance.

**Hon. Mr. Snow:** We have the contract, as I say. I have read one of them. The insurance is paid by the carrier. The fuel is paid by ONTC. Certain spare parts are supplied, as I said earlier, when we were discussing it. They are stocked by ONTC as the owner of the aircraft. A spare engine is carried in case there's an engine failure.

**Mr. R. S. Smith:** It is the opinion of the officials and the administrative people at ONTC that they could do it cheaper this way than they can if they applied for the licences themselves. Is that what I am told?

**Hon. Mr. Snow:** Yes.



**Mr. R. S. Smith:** The profit basis on which these private operators operate could not be a portion of the profit basis of the ONTC if they operated themselves?

**Hon. Mr. Snow:** There is no doubt the ONTC could start in the airline business and could go out and hire—

**Mr. R. S. Smith:** And they wanted to at one time.

**Hon. Mr. Snow:** —supervisory staff. But norOntair was in operation before it had anything with ONTC. It started directly in the ministry.

**Mr. R. S. Smith:** There were overtures made to people to run that operation on the basis that it would be a third-level carrier of the province based and owned by the province at that time.

**Hon. Mr. Snow:** I think a number of options were looked at back in those days. You say there were overtures made to a carrier to run the service.

**Mr. R. S. Smith:** No, to management, to people who would run this service.

**Hon. Mr. Snow:** There is no doubt if the government wanted to, ONTC could go out and hire managers and be in the airline business.

**Mr. R. S. Smith:** Do you believe that that would be more costly than what is being provided?

**Hon. Mr. Snow:** We could go out and start a big construction company and do all our highway construction ourselves too if we wanted to.

**Mr. R. S. Smith:** It's a little different.

**Hon. Mr. Snow:** Not that much different.

**Mr. Wildman:** Why is air different from railroads and buses?

**Hon. Mr. Snow:** It is a much more specialized field perhaps and one that the ministry has not been in.

**Mr. R. S. Smith:** When the government started to move into this area about six years ago, it went out and tried to obtain management personnel to run a third-level carrier service that would be owned by the province. They did this and then they dropped it. They felt they would just go into northern Ontario and they went to the Ontario Northland Transportation Commission. They went there

and they left it there. Then the direction was changed significantly so that it became a question of bid and what not, rather than the government running it. I strongly feel that the ONTC should not be subsidizing these people but should be doing it themselves and making application for licences themselves.

**Hon. Mr. Snow:** That's your opinion.

**Mr. R. S. Smith:** I would like to know the rationalization of your opinion. I feel they can do it much more reasonably.

**Hon. Mr. Snow:** I am not convinced that the government could operate it more reasonably than the private carriers.

**Mr. R. S. Smith:** Why are you not?

**Hon. Mr. Snow:** We have four private carriers operating four different routes under a contract basis which were bid on competitively.

**Mr. R. S. Smith:** All the equipment basically is owned by the government.

**Hon. Mr. Snow:** The six aircraft are owned by the government.

**Mr. R. S. Smith:** They are providing the operations and the upkeep of that equipment, except for some parts that you store and supply for them?

**Hon. Mr. Snow:** They supply the crews and so on.

**Mr. R. S. Smith:** Plus \$1½ million.

**Hon. Mr. Snow:** You mean?

**Mr. R. S. Smith:** The subsidy under vote 2405.

**Hon. Mr. Snow:** Yes, we pay the cost of the operation, which is broken down between the different routes. There is the income or the revenue from those routes and we end up with a deficit for each route.

**Mr. R. S. Smith:** In other words, you are trying to tell me that each one of those operators operated on a no-loss, no-gain basis last year?

**Hon. Mr. Snow:** No, I didn't say that at all.

**Mr. R. S. Smith:** You said you were paying the deficit.

**Hon. Mr. Snow:** The ministry pays the deficit to the ONTC.



**Mr. R. S. Smith:** Yes.

**Hon. Mr. Snow:** The ONTC, as I tried to explain to you, pays the operators a per-mile operating charge to supply the crew and certain services to run that air service. They bid on that; they get paid so much a mile. They are in business; presumably they are hoping to make a profit out of that operation.

**Mr. Gilbert:** Mr. Chairman, I would like to make one point on that. To go back to the beginning on this the first service, the one White River had with us, the one we have been talking about which Bradley has now, was a demonstration service.

**Mr. R. S. Smith:** I realize that.

**Mr. Gilbert:** We got into it in the first place on the basis of using the private carriers and I think we should keep that in mind. I think there is another thing we should keep in mind and that is the ONTC would have to go in front of the Canadian Transport Commission to get a licence to operate this. Quite frankly, they would have an awful lot of competition from the private carriers themselves in front of the CTC.

I don't think there is any guarantee that the ONTC would get a licence just because we decided we wanted to have a licence.

**Mr. R. S. Smith:** I realize that.

**Mr. Gilbert:** We would have to go cap in hand in the same way as the private carriers.

**Mr. R. S. Smith:** Yes, now you would because you have developed the service in the area through the private carriers and, of course, they are going to be there opposing your application.

**Mr. Gilbert:** With the greatest respect I think that if right at the beginning we had gone forward on the basis of trying to get a licence for that demonstration service, we would have received even more competition from the private carriers and we might not have been successful in getting one. Quite frankly, there was a lot of suspicion on the part of the CTC as to what were the motives of the provincial government in getting into the air service. And you know that through the rest of Canada this thing has really flared up.

We have put this whole service together. It has been accepted by the CTC and they have talked to other provinces and used Ontario as a model of how they can see an

air service being put together using the private carriers.

I think you can't get away from the fact that we would have to go in front of the CTC.

**Mr. R. S. Smith:** I don't question that at all and at no time did I indicate that you wouldn't have to make application just like any other private carrier. The problem here is—I have taken this position since the first applications were made by the private carriers, knowing they could bid through ONTC for the rights to operate under a contract with them. There is no question that at that time there were interventions all over the place. I know that as well as you do, but at no time were there any applications made directly by ONTC.

**Mr. Deputy Chairman:** It is now 10 o'clock and we agreed to vote on this item at 10 o'clock.

[10:00]

**Mr. Bain:** Mr. Chairman, we agreed to vote on the item on the basis that the people who were already on the speakers' list would get a chance to speak before the vote was taken. That's the basis on which we agreed to it, anyway.

**Mr. Deputy Chairman:** Will we have time to finish vote 2409?

**Mr. Bain:** I would hope so.

**Mr. Lane:** Mr. Chairman, I see you're working against the clock. I'll be very brief. There are just a couple of clarifications I would like to make and a couple of concerns I would like to express.

Firstly, the people of Elliot Lake were very appreciative of getting the norOntair service. The thing that Pat was expressing a concern about relieved the concerns of my Elliot Lake people fine, because up until April 25 the schedule wasn't any good for them and after April 25 it was just great, seemingly. Hopefully, come next winter when Air Canada goes back to its winter schedule, we can do something better than we were doing previous to April 25 for our winter schedule.

**Mr. Wildman** was expressing concern about the services at the airport. I have no complaints about that. I understand in major municipal airports it works much the same as the maintenance of the highway system does—the town actually decides first things first and then we pay our subsidy on it. That



being the case, Mr. Wildman, knowing our friend Mayor Taylor and his council, I think first things will be done first and we really haven't any concerns as far as what the government is going to do in the programme. They'll do the programme; we should supply the money for them which we've already agreed to do in part in any case.

I think that in Elliot Lake, as in any other northern area that hasn't had an air service, sort of an educational programme is required. I spoke to the Elliot Lake people when we inaugurated this service and pointed out to them that the success or failure of the service into Elliot Lake was probably in their hands, because if they use it and recommend its use to other people, then it will be a success; if they don't use it and don't recommend it, it won't be. I pointed that out to them because I know, coming from an area that doesn't have an air service, people get in the habit of driving. It's damned difficult suddenly to find yourself flying every place you go rather than driving. I will watch the Elliot Lake situation with a great deal of interest, and hope that the people themselves not only use it, but recommend it to their visiting people.

The question I would like to ask is, how soon can I get some kind of service to the Gore Bay-Manitoulin airport? When I come to Toronto—and my other business colleagues have the same problem—somebody says to me, "How did you come?" I say, "I flew, but I still have to drive 260 miles to fly because it is 130 miles each way to the airport in Sudbury."

We did have a delegation in to meet the former minister and ask for a north-south service, which really would solve the problem. Everybody wants to come to Toronto, basically, from the north—or from our part of the north; mid-north—to do business. We were thinking in terms of a Wiarton-Gore Bay-Sault Ste. Marie run, or some thing like that, and back again. But this was going to require a healthv subsidy and, of course, our Mr. Rhodes told us that that kind of money wasn't around. If we wanted any service at all we would have to look to norOntair to get us into Sudbury to link up with Air Canada.

Even though that isn't the most desirable situation, it would be much better than what we presently have. I'm just asking you, are we getting near to that point—when we might have that kind of service from Manitoulin Island? We talked this afternoon about the ferry service going from 116 people carried on the old system to 225 in the very first

year when the new system was in effect. We would have the same thing, I think, with an air service.

We have an awful lot of people going to Manitoulin because it's great cottage country, as you know. If the head of the household could fly to and from Toronto on the week-ends, I think he would leave his wife and family on the island during the summer months. Certainly there is a need for a summer service in any case. As I say with the Elliot Lake people, I would hope they could be educated to use it on a basis that eventually would make it a viable operation.

I'm not going to take up any more time. If you could give me an answer as to whether or not there is any possibility of getting an air service into Manitoulin airport, I would be very appreciative—either tonight or some time in the near future.

**Hon. Mr. Snow:** You would like it started tonight, would you?

**Mr. Lane:** I would like to have had it started last night.

**Hon. Mr. Snow:** At this moment, we have no plans for near-future expansion of the norOntair network. There are certainly no plans at all to expand it into southern Ontario. I know you may not relate Manitoulin Island to southern Ontario, but the route you're talking about would enter southern Ontario. I would hope that, at some time, viable service could operate between the Soo, Gore Bay, Wiarton and Owen Sound—if Owen Sound had an airport, but Wiarton is pretty close—perhaps Kitchener and Waterloo-Wellington, and into Toronto.

**Mr. Reid:** We're going to get STOL one way or the other.

**Hon. Mr. Snow:** That seems like a logical route. So far, no private carrier has seen fit to inaugurate that side. There are carriers with a licence to fly into Gore Bay, I believe, but on an intermittent service, not a scheduled service.

**Mr. Lane:** What I'm really asking, Mr. Minister, is there any possibility or chance that norOntair will service us through Sudbury until such time as we find this person who will probably supply the north-south service?

**Hon. Mr. Snow:** We don't have it scheduled at this time.

**Mr. Bain:** I would like to comment on the norOntair service. It's certainly an excellent



service. I've had very few complaints about it, and those complaints deal with the reduction in schedule. Certainly, the staff, especially the pilots, are extremely good, very co-operative and receive praise from everyone who travels with them.

In fact, the norOntair service out of Earlton and Kirkland Lake in the riding of Timiskaming has become extremely popular, and most of the flights are well travelled.

This leads me to question why, when the service was being utilized and when the schedule was very good, all of a sudden we had a lot of cutbacks in the schedule.

Before this recent schedule change we had a flight out of Earlton at 7 a.m., another one at noon, and an evening flight all coming south and connecting into Air Canada flights at North Bay and Sudbury. It was a relatively good schedule. People were quite satisfied with it. There were also flights on the weekend, which were good.

But this was all cut back. For example, there was a flight last fall that ran out of Earlton on Sunday evening, and a lot of people would use it to get to Toronto so they would be here for their business on Monday morning. That flight was cut before the end of 1975.

The most recent series of cuts have left us with two instead of three flights out. The only good one that's left is the one at 7 a.m., which remains unchanged. Instead of a noon flight and an early evening flight, we're left with a 3:20 flight in the afternoon out of Earlton, which is of very little use. I've had a number of business people discuss this with me. One of our rather large employers, Northern Telephone, finds that this 3:20 service very unacceptable.

What happens is that anyone coming up into the area to do business has to leave in the middle of the business day. In order to get to the airport in time, they have to leave about 2 o'clock, at least. Instead of being able to conduct business for a full day and then catch an evening flight, or catch another flight, they have to take the 3:20 flight to make their connection. Of course, the noon flight out of Earlton was also useful. So I would indeed hope to see some of these flights restored when the new schedule is instituted.

I think it would be very useful if, before any schedule change was made, these proposed schedule changes were made available to interested groups in the community. I realize you couldn't have a long period of input because of the time bind you're in with

the Air Canada schedules, and how you have to get yours to mesh pretty quickly, but certainly a few days' consultation with local groups would be of invaluable benefit and, perhaps, you could iron out some of these kinks. I don't think the other members from northern Ontario who have spoken about problems with this new scheduling—the problems they've expressed are not unique to their own ridings. They are widespread and I now mention the ones for mine. I look forward to some indication from either the minister or the general manager that there will be a better flight schedule set up, perhaps a return to the one which existed in the fall of 1975.

**Mr. Deputy Chairman:** Is that it?

**Mr. Bain:** I want to hear their answers.

**Hon. Mr. Snow:** Mr. Clifford, do you have any comments to make on schedules?

**Mr. Clifford:** No, not really Mr. Minister. I agree with Mr. Bain that the service in the Kirkland Lake and Earlton area has not been as good as it was in the previous schedule.

One of the things we are attempting to do—I know we haven't been successful in all our endeavours—is to provide to each of the communities—this is a little difficult when you are trying to do this for all 16 communities—and in and out service to that community in the morning and an in and out service as late afternoon or early evening as possible, on a five days a week basis; also a Saturday morning service in and out to each community and a Sunday evening service in and out to each community.

We've been fairly successful with some of this but in other areas it hasn't been possible yet. I would hope that by the time the fall comes around this would be our basic kind of a concept. I think for the amount of business we're doing that is an adequate service for most of the communities.

**Mr. Bain:** You think you'll be able to return to a better schedule in the fall for Earlton and Kirkland Lake?

**Mr. Clifford:** A later departure out of Kirkland Lake and Earlton. I have to agree that the 3:20 or 3:50 whatever it is, departure time is pretty tough on people trying to get up from, say, the south to do business in the Kirkland Lake-Earlton area and get out the same day.

One of the problems there, of course, is the earliest you can get into that area—you'd have to go over Sudbury and the first



Air Canada flight, I think, gets into Sudbury at about 10:30 in the morning. You can still be in the Earleton-Kirkland Lake area by 11 o'clock and if you didn't get out of there until, say, 6 o'clock at night—

**Mr. Bain:** You'd still have a reasonable period of time. So we can look forward to the resolution of that?

I was wondering—do you feel you need any more aircraft to provide the essential service or can you provide that essential service as you have just outlined with the number of aircraft you have now?

**Mr. Clifford:** With the number of aircraft we have now we can provide that essential service, if the criteria I just mentioned is what everybody considers to be the essential service; or whether we should be providing more service than that. I would say that if you can provide that kind of essential service in the schedules I have just mentioned it shouldn't mean any additional subsidy would have to be paid. I think we could still do it within the subsidies outlined for that \$1,518,000.

**Mr. Bain:** The noon flight that used to originate—you are not really entertaining that?

**Mr. Clifford:** No, we are not really entertaining that noon flight. I realize there are problems there but I think most people like to get out—if you are talking about getting out in the morning, and you have a choice of getting out of, say, Kirkland early in the morning or at noon, I think for most people who want to come down to Toronto to do a day's business the morning flight is more acceptable.

**Mr. Bain:** If you look at the three flights I mentioned and if you have to sacrifice one of them, I think the noon flight would be the one most people would be willing to accept.

**Mr. Clifford:** I say all this is predicated upon not knowing what Air Canada is going to do in its fall schedule.

**Mr. Reid:** I have one question. Mr. Clifford, you mentioned the reservation system and it is my understanding that Transair had some kind of reservation system.

**Mr. Clifford:** They do it on a manual basis. They haven't got a computer.

**Mr. Reid:** When are we going to be tied in with Air Canada?

**Mr. Clifford:** Air Canada Reservac II should be July 1; it was supposed to be May 25.

**Mr. Reid:** That will be—

**Mr. Clifford:** The latest we get from Air Canada is they expect to have all the problems solved and to be in a go position on July 1.

**Mr. Reid:** If I phone Transair and make a reservation with them they can tell me within a reasonable period of time, not two days after I've got to where I'm going?

[10:15]

**Mr. Clifford:** They should be able to tell you right then and there by getting on to the computer. July 1 is as good a date as I can give you because that's what Air Canada is saying.

**Mr. Deputy Chairman:** Mr. Smith, do you have anything more on this question or is it the next one?

**Mr. R. S. Smith:** I have something on the next one. I have just one short question on this. As far as costs are concerned, could Mr. Clifford tell me what the difference in cost is in flying Thunder Bay-Toronto-North Bay as compared to Thunder Bay to Sault Ste. Marie and then norOntair to North Bay?

**Mr. Clifford:** Are you talking costs or are you talking fare, Mr. Smith?

**Mr. R. S. Smith:** Fare.

**Mr. Clifford:** Thunder Bay to Sudbury or North Bay?

**Mr. R. S. Smith:** North Bay.

**Hon. Mr. Snow:** The question was, what is the fare from Thunder Bay to North Bay? What was the other alternative?

**Mr. R. S. Smith:** There is Air Canada to Toronto and then to North Bay or there is Air Canada to the Soo or norOntair to the Soo.

**Mr. Clifford:** I haven't got those figures available to North Bay. If you want to go direct from Sudbury to Thunder Bay by Air Canada on their direct east-west route, it's cheaper going that way than going Sudbury to Thunder Bay via Toronto.

**Mr. R. S. Smith:** Yes, I realize that, but that does not include norOntair.



Mr. Clifford: Maybe I can tell you.

Mr. R. S. Smith: You don't get into nor-Ontair unless you come into North Bay.

Mr. Clifford: You can go from North Bay to Thunder Bay on that direct east-west flight for \$64 and North Bay to Thunder Bay via Toronto is \$79.

Mr. Deputy Chairman: Is that it, Mr. Smith?

Mr. R. S. Smith: That's the only question I had.

Vote 2406 agreed to.

On vote 2409:

Mr. Chairman: Vote 2409, items 2 and 3, Mr. Smith and Mr. Wildman.

Mr. R. S. Smith: I just have a few questions here. Capital and construction is a new item for \$1,289,000. Could you outline to me what that is for as far as capital and construction are concerned?

Hon. Mr. Snow: This is to construct a microwave system extension for telecommunications between Moosonee and Attawapiskat and to provide the power units for these remote telephone projects.

Mr. R. S. Smith: That's part of the regional disparity programme that was announced by the Premier (Mr. Davis) last May 14?

Hon. Mr. Snow: It could be. I am not sure.

Mr. Gilbert: We have the Bell agreement for the northwestern part.

Mr. R. S. Smith: Yes.

Mr. Gilbert: ONTC is doing the north-eastern part for the ministry.

Mr. R. S. Smith: That is a shared cost agreement between you and Bell.

Mr. Gilbert: For the northwestern part.

Mr. R. S. Smith: That's part of the programme announced last May 14 then and really has very little to do with ONTC other than through their communications network and agreement with Bell. The agreement is being made with ONTC and Bell, I understand.

Hon. Mr. Snow: This is one of the types of projects we were discussing earlier. This was not a project that was development within ONTC.

Mr. R. S. Smith: No, totally outside.

Hon. Mr. Snow: It's a government initiative to improve telecommunications in the remote areas of northwestern Ontario. You were referring earlier to some of the decisions that were made by government that ONTC knew nothing or little about. ONTC has the telecommunications system. I am sure the ONTC board would never make a decision to spend this money to extend the microwave system to Attawapiskat based on the revenue that it would produce, but because of the government policy or government priorities to improve communications in the north, government makes this decision, supplies the funds to ONTC and asks ONTC to carry out government policy by implementing this service.

Mr. R. S. Smith: Under the regional disparity programme?

Hon. Mr. Snow: Yes.

Mr. R. S. Smith: That's fine, I understand that. It is part of the point I was making earlier, which everybody said just didn't exist—but it does.

Hon. Mr. Snow: We didn't say that didn't exist at all.

Mr. R. S. Smith: You kind of indicated that.

Under communications, the supply of proper service to the Tomiko and Marten River area has been left out of this year's estimates. I was told last year that it would be in place this year, and that the reason for the hold up was that it would take one year to order the equipment to get it into service. Now, I'm told this year that it was taken out of this budget and that it will be provided, hopefully, in the budget for 1977-1978. As we go along we have to look ahead a bit.

Could the minister indicate to me what we can expect insofar as approvals of that \$500,000 expenditure, as I understand it, to provide that service? I'm sure Mr. Clifford is aware of the service I refer to.

Mr. Clifford: Are you talking about the Marten River—

Mr. R. S. Smith: At Tilden Lake.

Mr. Clifford: Tilden Lake and Marten River. Yes, I'm aware of that, Mr. Smith. We had contemplated that in our 1976 capital budget, actually that and some services to a place called Shining Tree, which had been brought up in last year's estimates. Those



are just actually two of the items which were cut out of the budget.

**Mr. R. S. Smith:** I understand that. I was told last year they would be included, and everything would go ahead this year—but what about next year? Are you going to recommend that it be included in next year's budget?

**Mr. Clifford:** We'll have them put in our 1977 capital budget, yes. At least we'll have the items included in there, but I can't tell you whether they will get final approval.

**Mr. R. S. Smith:** Final approval by whom?

**Mr. Clifford:** Management Board.

**Mr. R. S. Smith:** Okay, maybe I should ask the minister what his disposition is towards these two items, which are significantly important in my area?

**Hon. Mr. Snow:** I'm not totally familiar with the particular municipalities that you mentioned, so I can't really give you that—

**Mr. Clifford:** Mr. Minister, there is service being provided to Tilden Lake and the Marten River area, but it's not up to our normal standards—and I am the first one to admit that. At Shining Tree, which is about 45 miles west of Gowganda, there is no service whatsoever, and it has been brought up on two or three different occasions—

**Mr. Bain:** No telephone at all?

**Mr. Clifford:** I think it's just a radio-telephone service in there. There's no normal telephone service system into Shining Tree at all.

**Mr. Wildman:** What is it, a toll station on the railroad, or what?

**Mr. Clifford:** No, it's not on the railway.

**Mr. R. S. Smith:** It is strictly a radio service. I think that particular item is a \$400,000 item. And that, plus the Tilden Lake and Marten River services, are two of the things which have been deleted from the budget over the last year or two.

**Mr. Gilbert:** ONTC would have to increase their borrowing power to cover those items—

**Mr. R. S. Smith:** I'm sorry?

**Mr. Gilbert:** They would have to raise their borrowing power to get the capital to cover these. Here again it is \$400,000 for Shining Tree alone—isn't it?

**Mr. Clifford:** \$400,000 for Shining Tree, yes.

**Hon. Mr. Snow:** These are totally un-economic services as far as—

**Mr. R. S. Smith:** I'm not questioning that at all, I understand that.

**Hon. Mr. Snow:** ONTC would never recoup their funds that they would invest to supply this service.

**Mr. R. S. Smith:** But they're into many services that are in that same category.

**Hon. Mr. Snow:** Yes, the remote north-eastern service to Attawapiskat and Winisk is the same category. There may be some slight degree of difference there because of the fact that there are airports at those places and there is more of a need in some way. I am not suggesting it is more of a need than the people in those communities have; I mean there is a need for communication, perhaps, but unless we can get funds for this type of overall disparity budget from the government, it's going to be very difficult to get these services.

**Mr. R. S. Smith:** You are telling me then that unless the regional disparity programme covers these services, we are not going to get them?

**Hon. Mr. Snow:** We will keep asking for the money. We asked for it this year but we didn't get it.

**Mr. R. S. Smith:** From the Treasury Board?

**Hon. Mr. Snow:** Yes.

**Mr. R. S. Smith:** But what about the ONTC communications network itself? Is it not able to carry any of this type of capital expenditure?

**Mr. Clifford:** Yes, it is. Actually, of the total capital budget in 1976 for the Ontario Northland it only amounted to \$5.8 million, and \$4.6 million of that was devoted to communications services.

**Mr. R. S. Smith:** It could be included either there or in the regional disparity budget.

**Mr. Clifford:** Normally it is included in our capital budget.

**Mr. R. S. Smith:** In your capital budget?

**Mr. Clifford:** Yes, in the capital budget which we submit to Management Board after it gets the approval of the minister. But, Management Board, of course, is very in-



interested in the rate of return on any investment in capital projects that we make. When you come up with items on which you just naturally know you are not even going to be able to meet your operating costs or get a return on your investment, those are the items that naturally get shelved the quickest.

**Mr. R. S. Smith:** But beyond that, there is the special consideration in northern Ontario that this type of service be provided whether it is economical or not. The economics of the situation are usually not the first consideration. I just make that point and I indicate to you that these people have been told twice now. Last year they were told the service would be available to them this year—and there were no ifs, ands or buts about it; it would be this year. I understand it was taken out of the budget; I understand the programme that has gone on this year. But we can't go too long just stringing these people along. If they are not going to get it, we have to tell them that. Other than that, I don't have any other questions on communications, Mr. Chairman.

**Mr. Wildman:** I wanted to know if the minister would agree that it is fair to consider the communications part of the programme generally to be sort of the poor sister of the whole MTC estimates and MTC programmes. Is that fair?

**Hon. Mr. Snow:** How do you mean?

**Mr. Wildman:** It seems there is far less emphasis on communications traditionally and now, as opposed to transportation. I'm not saying there shouldn't be as much emphasis on transportation. I'm just wondering what role the ministry has in relation to other ministries that also are involved with some aspects of communication—for instance, Culture and Recreation and Education when it comes to things like those things. Specifically, this deals with the telephone commission and I would like to know what—

**Hon. Mr. Snow:** Right now we are trying to deal with the two items that involve the ONTC.

**Mr. Wildman:** Okay. Capital construction, then. What is this money being spent on? We are almost out of time here, but what is this \$1,289,000?

**Hon. Mr. Snow:** Of the \$1,289,000, \$850,000 is for the remote northeastern project, \$439,000 is for the telecommunications power for the northwestern project, and if you add

those two together you come to \$1,289,000. This is all for remote communications into the far north.

**Mr. Wildman:** When you say in your annual report that you assisted in the reorganization and relocation of the Ontario Telephone Service Commission. What does that mean? That is page 3 of your annual report.

**Hon. Mr. Snow:** The telephone services commission is under the item 4 of the vote, regulation.

**Mr. Wildman:** All right. Okay.

**Mr. Deputy Chairman:** Okay? Vote 2409, items 2 and 3 carried?

**Mr. Reid:** It is my understanding, Mr. Chairman, that we sit again on Wednesday?

**Mr. Deputy Chairman:** On Wednesday, 2 p.m., is it? If the House sits at 2 p.m., do we stay for the question period?

**Mr. Reid:** Yes, we would.

**Mr. Philip:** Would it be possible to sit Wednesday morning as well because we do have an awful lot of work to do here? I was wondering what the feeling is of the minister on that?

**Mr. Reid:** Wednesday is cabinet day, isn't it?

**Hon. Mr. Snow:** It is impossible, I am afraid, for me to be here on Wednesday morning. The House is sitting Wednesday afternoon, I believe.

**Mr. Reid:** No, I don't believe it is. The committee generally sits at 2 p.m. on Wednesdays anyway.

**Hon. Mr. Snow:** I don't know; somebody just—

**Mr. Deputy Chairman:** Is it sitting at 2 p.m.?

**Mr. Lane:** As far as I know it is this week; not Wednesday evening but Wednesday afternoon. I was told that.

**Hon. Mr. Snow:** The House is not sitting on Friday.

**Mr. Reid:** No, it is next Wednesday, I believe.

**Mr. Makarchuk:** There might be a possibility of the House sitting next Wednesday, but there are no plans for this Wednesday.



**Mr. Deputy Chairman:** It is not sitting this Wednesday?

**Mr. Makarchuk:** No, Mr. Chairman.

**Mr. Deputy Chairman:** Then we will meet at 2 p.m.

**Hon. Mr. Snow:** If the House isn't sitting we meet from 2 p.m. to 5 p.m., as I understand it. If it is sitting, we meet from 3 p.m. to 6 p.m.

**Mr. Bounsall:** How about from 2 p.m. to 6 p.m. and from 8 p.m. to 10:30 p.m.?

**Mr. Deputy Chairman:** Do you want to meet from 2 p.m. to 6 p.m.?

**Mr. Reid:** You are obviously not going to be here.

**An hon. member:** If the House isn't sitting, this is the last day we have to wrap it all up.

**Mr. Philip:** Agriculture and Food estimates are following closely on our heels.

**Hon. Mr. Snow:** I don't know what the schedule is.

**Mr. Deputy Chairman:** Agriculture is next, I think.

**Hon. Mr. Snow:** Agriculture is next I know, but I don't know when you are planning on starting Agriculture.

**Mr. Reid:** We don't have to finish all these estimates by the time we adjourn.

**Ms. Bryden:** It uses up a whole day if you only sit for two hours; can't you sit for three? There are only so many days.

**Hon. Mr. Snow:** From 2 to 5 p.m. is three hours, I believe.

**Ms. Bryden:** It is nonsense if we don't go on until 6 p.m.

**Hon. Mr. Snow:** From 2 p.m. to 5 p.m. is three hours.

**Mr. Deputy Chairman:** Is that what you want, 2 p.m. to 5 p.m.?

**Mr. Makarchuk:** I think it is at the discretion of the committee to decide if it wants to extend its sitting from 5 until 6 p.m. It certainly has the power to do so. There is nothing to prevent it from doing that.

**Mr. Deputy Chairman:** Why don't we compromise and sit from 2 p.m. until 5:30 p.m.?

**Mr. Makarchuk:** It is up to the members of the committee to decide that.

**Mr. Bounsall:** To be decided on Wednesday.

**Mr. Deputy Chairman:** Let's start at 2 p.m. and see what happens.

**Mr. Reid:** Play it by ear.

**Mr. Philip:** It is my understanding that we are on the Toronto Area Transit Operating Authority next.

**Mr. Deputy Chairman:** Where do we start next?

**Hon. Mr. Snow:** Do we start back now?

We completed vote 2401 on Friday, then we arranged to deal with the Ontario Northland and we included the full air programme, as I have it anyway.

**Mr. Reid:** So we start with vote 2402.

**Mr. Philip:** I guess my concern was that the only thing left in vote 2405 is the Toronto Area Transit Operating Authority.

**Hon. Mr. Snow:** Vote 2406 is all carried; and in vote 2409 two sections are carried.

**Ms. Bryden:** Why don't we start with 2405 first?

**Mr. Philip:** If we finish off vote 2405 and then start back—that is what I am saying.

**Mr. Reid:** Or vote 2408 and work backwards, and then forwards.

**Mr. Gilbert:** We have to have assistance here. We have to have the TATO man here. If you are going to have vote 2405 we should tell him now. Where is he? We can get hold of him.

**Mr. Philip:** It would seem reasonable to finish off vote 2405, since we have done something on it.

**Mr. Deputy Chairman:** Do you want to work on vote 2405 then?

**Mr. Philip:** Yes, let's finish it up.

**Mr. Deputy Chairman:** Okay, vote 2405 Wednesday.

**Ms. Bryden:** Then do we move on to vote 2402?

**Mr. Deputy Chairman:** We will move back.

**Hon. Mr. Snow:** I think we should move back and follow through in the normal way.

The committee adjourned at 10:36 p.m.

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## SPEAKERS IN THIS ISSUE

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Bain, R. (Timiskaming NDP)  
 Bounsall, E. J. (Windsor-Sandwich NDP)  
 Bryden, M. (Beaches-Woodbine NDP)  
 Johnson, J.; Deputy Chairman (Wellington-Dufferin-Peel PC)  
 Lane, J. (Algoma-Manitoulin PC)  
 Laughren, F. (Nickel Belt NDP)  
 Makarchuk, M. (Brantford NDP)  
 Philip, E. (Etobicoke NDP)  
 Reid, T. P. (Rainy River L)  
 Smith, R. S. (Nipissing L)  
 Snow, Hon. J. W.; Minister of Transportation and Communications (Oakville PC)  
 Wildman, B. (Algoma NDP)

**Ministry of Transportation and Communications officials taking part:**

Clifford, S., General Manager, Ontario Northland Transportation Commission  
 Gilbert, H. F., Deputy Minister  
 Johnston, G. H., Executive Director, Planning Division  
 McCabe, E. J., Director, Project Planning Branch















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